

TOMORROW

Days of wine... Roger Scruton on the virtues of claret versus burgundy... and roses... Peter Ball reports the Yorkshire versus Lancashire match... China... Deng Xiaoping and his cult... dolls... Georgina Howell on the fashions of filmland... Hard line... Russia is cracking down on rock music. Richard Owen reports... software... Computer Horizons on a British challenge to the American giants... Healthy... Alternative medicine... a new way to look at illness... and wealthy... State schoolchildren's view of their privileged public school brothers

Britain will stay firm in currency turmoil

By Frances Williams and Christopher Thomas

The British Government will stand by its "hands off" policy towards sterling in what promises to be a further bout of turmoil on foreign exchange markets after the unprecedented rise of the dollar to an all-time high against the pound last week.

Ministers see no reason for British interest rates to rise to protect the pound. This view is likely to be reinforced if, as expected, tomorrow's British money supply and government borrowing figures for July show a big improvement on the poor June figures.

Nor do they intend at present to join the concerted intervention by European and Japanese central banks to stop the dollar's rapid climb against virtually all other currencies - a move which last week met with little success despite their pumping of some \$20n into the foreign exchange markets.

Until this intervention put pressure on sterling, the pound had clung to the dollar's coat tails, gaining ground against the European currencies and the yen and hurting the competitiveness of British industry.

With Europe now taking more than half Britain's exports, a high pound would put at risk the still uneven and fragile recovery. In these circumstances, officials argue that efforts to bolster the pound's value against the dollar - and hence other currencies - would scarcely be appropriate, even though a fall in the pound will inflate the cost of imported materials.

The Government's resolve is likely to be tested to the limit over the forthcoming days and weeks. During the weekend, several more currencies, including the Saudi riyal, were devalued against the dollar.

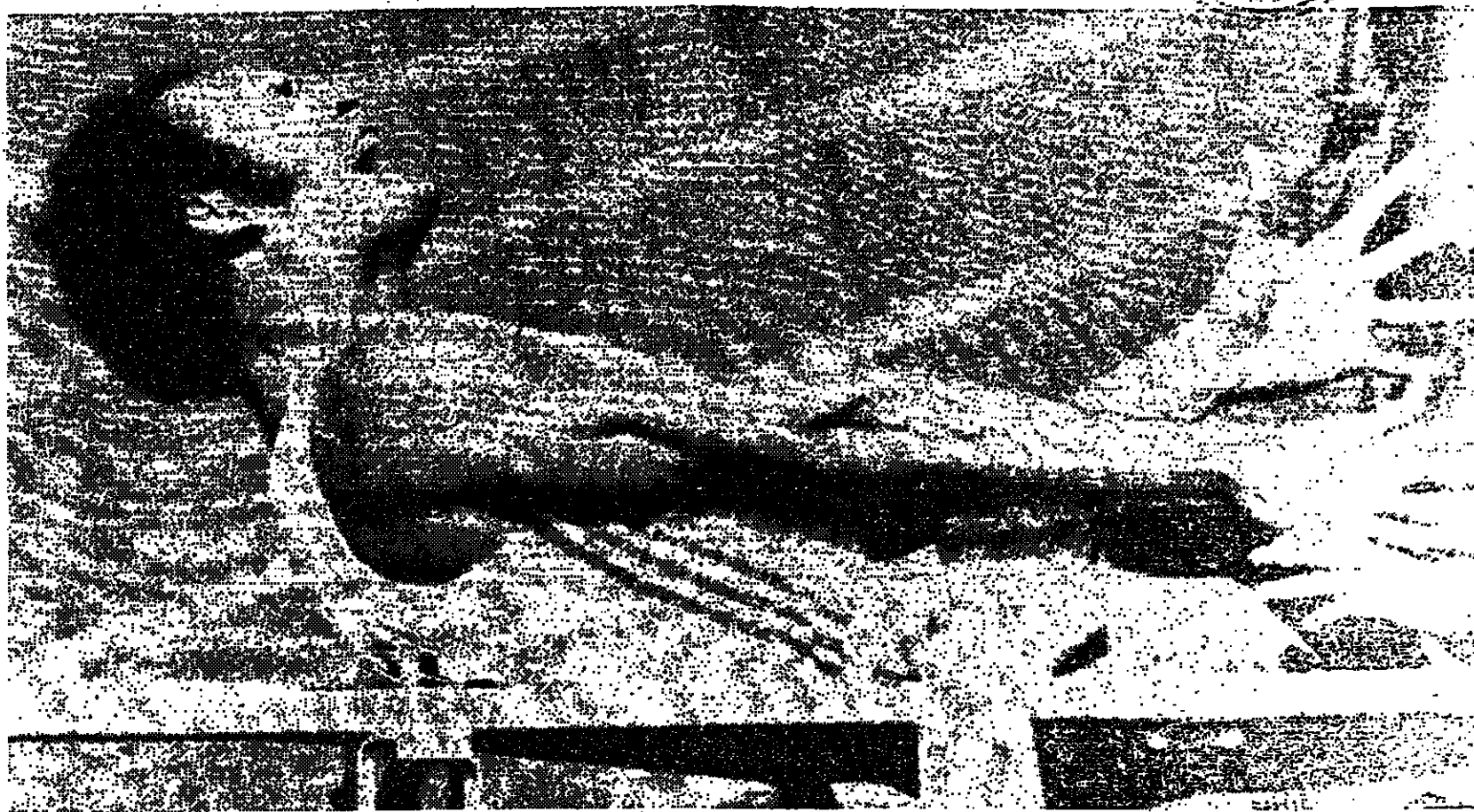
On Saturday President Reagan undermined any impact that the United States' limited help in intervention might have had by rejecting European claims that high US interest rates are boosting the dollar at the expense of their economies.

In his weekly national radio broadcast, the President said: "It is not the interest you earn from holding a currency that matters most. It is the confidence you have that the value of your money will not depreciate from higher inflation." He cited the strong dollar as evidence of the growing strength of the US economy.

However, the latest US money supply figures, released late on Friday and showing monetary growth still well above target, have increased fears that US interest rates may rise further, putting more upward pressure on the dollar. Many analysts believe that high US interest rates - underpinned by the huge federal government deficit which is cornering the lion's share of available funds - will keep the US currency strong well into 1984, the presidential election year.

In New York, several analysts predicted yesterday that the big banks might follow a few smaller banks in raising their prime lending rates from 10.5 to 11 per cent during August.

Juantorena's stumble puts him out of the running



Cuba's Alberto Juantorena screaming in pain as he is carried from the track at Helsinki yesterday after stumbling during his 800-metre heat. He broke bones in his foot and tore ankle ligaments. After an operation doctors said he would be unable to run for at least three months.

159 nations make history

Helsinki (AP). - Athletes from 159 nations - the largest gathering of countries at any event in sport history - took part in the opening ceremony of the inaugural World Track and Field Championships in Helsinki's Olympic stadium yesterday.

There were so many flag bearers that after the Olympic-style march around the stadium there was not enough room for the usual straight line across the field. So they formed a huge arc.

The historic occasion followed partly from the huge television revenue for the championships, which are to end next Sunday. The International Amateur Athletic Federation (IAAF) had so much money in hand that it paid travel and lodging expenses for the more than 1,500 athletes and their coaches and team managers.

Signor Primo Nebiolo of Italy, who became president of the IAAF two years ago, dreamt of having 160 nations in the parade. He failed by one.

But it was still a runaway record, breaking the one set at Munich in 1972 when athletes from 123 countries marched at the opening of the Olympic Games.

The IAAF has 170 member nations; the latest recruit, Cyprus, was admitted three days ago.

President Mauno Koivisto of Finland declared the championships open. He won cheers from the crowd by reading a speech in Finnish.

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Stricken tanker's bow taken in tow as slick moves offshore

From Ray Kennedy Johannesburg

The bow section of the Spanish tanker Castillo de Bellver, which could still hold nearly half its cargo of 220,000 tons of crude oil, was taken in tow late yesterday while a change in the wind began nudging a massive slick, 27 miles long and up to seven miles wide, away from South Africa's western coast. But the threat of vast pollution remains.

The stern section of the tanker turned turtle and sank early yesterday in 1,000ft of water only 20 miles from the coast. "It is much too close in for comfort," said officials of Safmarine, the South African shipping company which is coordinating the salvage and anti-pollution operation. "As soon as its tanks rupture the oil in them could reach the shore very quickly, depending on the weather conditions."

Yesterday soot-laden rain from the Castillo de Bellver's funeral pyre blackened the snow-covered peaks of the Matroosberg mountains near Ceres, nearly 125 miles from where the tanker caught fire early on Saturday. Farmers in the Malmesbury area, South Africa's principle wheat-growing belt, said their crops and freshly-shorn sheep had been covered by the oily fallout.

The 26,200 horsepower Safmarine tug John Ross took the bow section in tow yesterday in a dramatic and extremely hazardous operation.

A diver was dangled from a helicopter to secure a line through one of the tanker's anchor flukes and then winch a



The tug John Ross approaching the wreck.

heavy towing line from the tug into position. Throughout the operation, which took nearly two hours, oil from the forward tanks gushed over him and there was the ever present danger that the bow section, pointing almost vertically into the air, would topple and sink.

There was no other way of doing it, a Safmarine official said. "There could be up to 600ft of the ship under water containing half its cargo."

The John Ross will try to tow the bulk as far away from the coast as possible and dump it where the oil will disperse and do minimum damage. "It is a question of doing it slowly but surely. Ships are designed to float horizontally, not vertically," the Safmarine official said.

Three South African Department of Transport coastguard vessels are spraying the slick which yesterday had drifted to within 25 miles of the coast and the Langebaan lagoon and Dassen Island, breeding ground of the jackass penguin, an already endangered species, flamingoes and pelicans.

The slick was being pushed towards the shore by a north-westerly wind but late yesterday the wind direction turned to south-easterly. A salvage operation official said: "We are famous for our south-easters but it's mid-winter now and the wind could start to blow onshore again at any time."

South African officials flew over the slick yesterday to assess the danger of the threat with Captain Mike Garnett, representing TOVOLOP, the London-based tanker owners voluntary oil pollution protection organization, who arrived in South Africa overnight from Britain.

A search was also continuing

Continued on back page, col 6

Lebanon car bomb kills at least 35

From Kate Dourian Beirut

A car bomb exploded in a crowded vegetable market in the eastern Lebanese city of Baalbek yesterday, killing at least 35 people and injuring many more. The state radio said two Syrian soldiers were among those dead and 20 of the wounded were in a critical condition.

The casualty figure was expected to rise as rescue workers sought bodies from the rubble of buildings which were damaged in the explosion. Fourteen cars parked near the market place were set on fire.

It was the worst of a series of explosions which have struck different parts of Lebanon over the past few days. On Friday a car bomb exploded outside a mosque in the northern port city of Tripoli, killing 19 people.

Baalbek, a historic city of ruined Roman temples, is 45 miles east of Beirut and lies in the Syrian-controlled Bekaa valley. Its population is mainly Shia Muslim.

There was no indication who was responsible for yesterday's car bombing.

The Palestine Central Council, the PLO's 81-member interim legislative body, ended a three-day session on Saturday in Tunis with a call for the resolution of the crisis within Fatah and the conflict between the PLO and Syria.

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Leading article, page 9

Sri Lanka claims coup plot foiled

President Jayewardene of Sri Lanka has claimed that he thwarted a plot, starting with race riots, to topple him and install a left-wing military dictatorship. The information was said to come from a group which rose against the previous government

Synagogue blast

A bomb exploded in an empty Johannesburg Synagogue yesterday in an apparent unsuccessful attempt on the lives of President Viljoen of South Africa and Mr Elshu Lankin, the Israeli ambassador, who were due to attend a commemorative service.

Sun apology

The Sun today apologized to Mrs Marcia McKay, widow of one of the Falklands VC's and to its readers following a "deplorable, insensitive deception on the public". Council report in full, page 4; Sun apology, The Papers, back page.

Police search

Police will search the family home of Dr and Mrs Robert Jones today. Dr Jones has been questioned further about his account of his wife's disappearance

Pilot defects

The pilot of a Chinese MiG21 defected to South Korea setting off air raid warnings and stirring fears of a North Korean attack

State cash study

The Government is looking at plans to allow state industry to raise funds privately. It is also considering the £3bn sale of 51 per cent of British Gas

Nuclear hitch

Britain's newest nuclear power station, at Hartlepool, has been closed because of a water leak, but the CEBG says there is no danger

P&O statement

Lord Inchcape, chairman of P&O, will make a statement today after growing speculation that he will be replaced by Mr Jeffrey Sterling, his deputy

Radio switch-off

Britain's commercial radio stations are the main casualties of an apparent decline in radio listening

Bank power

The shift in power at the Bank of England after the appointment of Mr Robin Leigh-Pemberton as governor is examined in the first of a series of City institutions

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Leading articles: Green belt; Lebanon; Poland
Features, pages 6-8
A private life for the economy: Fear and suspicion in "God's country": The wrong way for London: Transport: Bernard Levin on Latvia's plight. Spectrum: Alternative medicine. Modern Times: The busking business. Obituary, page 10.
Dr Cecil G Teall, Professor James Hancock

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Irish police shoot four in ambush

Four men were seriously ill in hospital in the Irish Republic yesterday after an exchange of fire between police and an armed gang outside the unoccupied home of Mr Galen Weston, a Canadian multimillionaire, at Roundwood, co Wicklow.

Detectors from the republic's anti-terrorist task force were waiting when seven men wearing boiler suits and balaclavas drove up to the house at 8 am. The gang opened fire when challenged and in the shooting four of them were wounded. A fifth was arrested and two others escaped into woodland, one apparently injured.

The four shot men were taken to St Colmille's hospital, Loughinstown, and one who was more seriously injured was later transferred to Dublin.

The condition of the three others was said to be serious but stable. No police officers were injured.

The police believed they had failed an attempt by the Irish National Liberation Army to kidnap Mr Weston, who is president of George Weston Ltd, the parent company of

Associated British Foods, which operates Fine Fare supermarkets.

But Mr Weston, aged 42, speaking at the Guards polo club in Windsor where he had been playing alongside the Prince of Wales, dismissed the kidnapping motive.

"I would think that is a very remote possibility," he said. "I would imagine it was a theft attempt and they were trying to knock off the house."

He said he had not lived in the house for 10 years and seldom visited it, the last time being five or six months ago. "I am a resident in Canada, and have been for 10 years."

Mr Weston said he had heard of the attack on the 1pm radio news. To the surprise of his friends he went ahead with the polo match, leading his own team, the Maple Leafs, and immediately started another scare as he fell badly.

He lay motionless for several minutes after being thrown, and was taken by ambulance to a first aid centre before being driven away by his wife, Hilary, in a red Mercedes. "He has been very lucky, but do not worry, he is fine," she said.



Mr Galen Weston talking to a policeman yesterday at Windsor where he played in a polo match.

Thatcher 'irritated' by talk of succession

By John Winder

Mrs Margaret Thatcher became irritated by the speculation about who would succeed her if she were to leave office, some Conservative MPs believe.

The terseness with which she dismissed questions about her deputy "Willie Whitelaw is my deputy; always has been" is taken by some to indicate a degree of displeasure also with those who have been suggesting that formal arrangements should be made for a minister to undertake her work in her absence.

Mrs Thatcher's decision to retain Lord after his ennoblement Whitelaw as her deputy has had the effect, whether by design or accident, that the Prime Minister's temporary stand-in could not become her successor. No peer has been Prime Minister since 1917.

The Prime Minister emerged

from hospital at the weekend with a new hair-do, proclaiming that she was 101 per cent fit.

Yesterday she was visited at Chequers both by Mr Richard Packard, her ophthalmic surgeon and her own doctor, Dr John Henderson, who said afterwards that they had found her right eye "settling down entirely satisfactorily" after Wednesday's retina operation. They said that they had found the Prime Minister in good spirits.

Mrs Thatcher was then driven to the local parish church for morning service, and returned to Chequers for a private family lunch.

She spent most of the day resting. Even had she not been ill, there would have been only a little routine work for her to do, and yesterday she did not find it necessary to send for her private office staff from Downing Street.

Suicide woman kills tourist at Notre Dame

From Our Correspondent Paris

A 25-year-old Frenchwoman who jumped 150ft to her death from a spiral staircase in one of Notre Dame Cathedral's twin towers yesterday also killed a Canadian woman tourist standing on the pavement below.

Two other bystanders were taken to hospital suffering from shock and minor injuries. The Canadian victim, who was 29, had been on a guided tour of the cathedral with her sister. She died instantly and the woman who jumped died later in hospital.

A Spanish tourist who was on the staircase when the woman jumped said that "she was crying and looking very determined".

The Frenchwoman was later identified as Veronique Stalla-Bourdillon and the tourist was named as Joanne Pelletier of Quebec.

University rues its exclusive Sloane Ranger image

By Lucy Hodges, Education Correspondent

Exeter University in Devon is so concerned about its public school image that it has held an inquiry, which recommended that more effort be made to attract students from state schools.

The university, set in beautiful grounds on the outskirts of Exeter, has always been popular with middle class parents who felt that their daughters would be safe there.

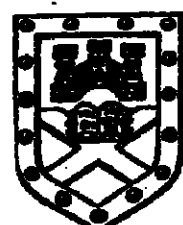
But recently its popularity with the public schools has burgeoned and it is even included in The Official Sloane Ranger Handbook as a university with a sizeable number of Sloanes.

The three-man inquiry,

chaired by Professor John Dancy, former headmaster of Marlborough and a professor of education at the university, found that in the past three years the percentage of students Exeter takes from independent schools had risen from 34 to 37 per cent. The average for all universities is steady at 22 per cent.

There is also public school stereotype at Exeter which is considered obnoxious. "There is a group that is well heeled, flourishes chequebooks around and indulges in vandalism", Professor Ted Wrage, director of the university's education department, said.

"These coves become leading



The crest of Exeter University.

lights in the Federation of Conservative Students. Some time ago they hired a white Rolls-Royce and drove it ostentatiously around the campus to demonstrate that some students have lots of money."

The public school contingent, which includes a number

of Old Etonians, has set up an exclusive dining and dining clubs. According to the Sloane Ranger Handbook the Sloanes congregate in certain halls of residence and move into lovely Devon cottages after their first year. On Friday afternoon they are to be found on the same train to London.

The inquiry, set up in March, reported to the university Senate in June. It recommended that better statistics be kept and said that Exeter should know the performance of state and public school students in their finals.

It also proposed that more effort be put into recruiting students from comprehensives. Representatives of the university should attend conferences,

particularly in the Midlands and the North, and foster links with state schools, it said.

The Senate accepted the recommendations. Admissions tutors have received a copy of the report and will be meeting to discuss it next term.

Professor Wrage said he thought that public school students flocked to Exeter because it was pleasant and because it was recommended by their peers.

Professor Dancy said that he thought the increasing percentage had something to do with the fact that the birth rate in socio-economic groups A and B had not declined. Comprehensive reorganization had also put state pupils at a disadvantage.

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The Children's Society

Fundraisers from US praise IRA 'courage' during Belfast rally

The "courage and daring" of the Provisional IRA were praised in west Belfast yesterday by a spokesman for Noraid, the New York-based organization which allegedly raises cash for the terrorists. He was cheered by a crowd of 3,000 republicans.

Mr Martin Flannery, aged 33, defended the IRA strategy, saying it was fighting a legitimate struggle against 30,000 foreign troops and that every nation had the right to defend itself. He would expect Britain to do the same if the Russians invaded.

But he said it was "completely false" to accuse Noraid (Irish Northern Aid Committee) of being a front for the Provisional IRA. Later, however, in a speech to a rally at Andersonstown in west Belfast, he said some men outside the organization, "at grave personal risk to themselves, had tried to help to provide the means of defence."

He refused to say how much money Noraid had raised last year, although it is estimated that about £1.2m has been raised since 1970.

Mr Galvin portrayed Noraid as an organization highlighting the American people the way in which nationalists in Northern Ireland were exploited. The organization, which an American judge ruled in 1981 was a

From Richard Ford, Belfast

foreign agent of the IRA, sent money for charitable purposes, and in particular to help the families of Irish political prisoners. He added: "We are a group of US people who simply want to seek peace and friendship... but we recognize that as long as British rule is based on British army terrorism and religious discrimination, Irish people will be divided."

Security forces were on full alert yesterday for a Provisional IRA attack which intelligence sources believed might be mounted to impress the visitors from Noraid.

The Army and police have been told to "exercise maximum precaution" during the next two days leading to the twelfth anniversary of the introduction of internment, which comes after the ending of the Christopher Black "supergrass" trial.

Before making his speech, Mr Galvin marched along the Falls Road accompanied by 12 bands and thousands of people including representatives of the Troops Out Movement from London, Leeds, Birmingham and Edinburgh.

He claimed that British representatives were not interested in meeting Noraid and neither were the widows of husbands who had been mur-

dered in terrorist violence. Mr Galvin said that Noraid had left contact telephone numbers at Provisional Sinn Féin's offices in west Belfast, but no one had been in touch.

Mr Martin Flannery, aged 30, Noraid's co-founder, was acquitted with four others earlier this year of conspiracy to supply the Provisional IRA with machine guns and other equipment.

Earlier this year, Mr Flannery was Grand Marshall of the annual St Patrick's Day Parade in New York.

● An off-duty policeman escaped death on Saturday when a booby-trapped bomb hidden under his car failed to explode as he drove off in the village of Kesh in Co Fermanagh.

● A Roman Catholic priest has offered to mediate to try to secure the release of two people kidnapped by the Irish National Liberation Army. Father Declan Caulfield from Co Mayo said he was concerned for Mr Richard Hill and his daughter Diana, aged 13. They were abducted from their holiday home in the county a week ago in an attempt to persuade Mr Hill's stepson, Henry Kirkpatrick, to withdraw statements he had made implicating 18 people.

Union vote crucial in leadership poll

By Barrie Clement and John Winder

Mr Michael Meacher is hoping to receive about 77 per cent of constituency Labour Party votes in the deputy leadership elections and Mr Roy Hattersley, the other main contender may win about two-thirds of the votes of MPs. That means that the decisions of the "big battalions" of the union movement are crucial and the subject of sustained lobbying.

The Transport and General Workers' Union (TGWU) has 8 per cent of the votes of the electoral college, which gives 30 per cent each to MPs and local parties and 40 per cent to unions.

The decision of the 600,000 strong National Union of Public Employees (NUPE) will also be crucial. The executive has already recommended Mr Neil Kinnock as leader and Mr Meacher as deputy, although a branch ballot will make the final decision, which will be binding on the union's Labour Party delegation.

The 40-man executive of the TGWU will meet next month and is expected to recommend a candidate to deputize for Mr Kinnock, who is conference has already chosen as leader. The body, however, has no power to mandate its 51-strong delegation to the Labour Party.

There are camps for both men in the union, but it is thought that the left-wing executive might find unacceptable Mr Hattersley's support for incomes policy and his lack of enthusiasm for unilateral disarmament.

As for the rest of the union movement, Mr Meacher hopes to attract the votes that went to his friend Mr Wedgwood Benn

last time, with those of Nupe and the Post Office Engineering Union, which has moved to the left.

Meacher supporters are hoping to pick up the backing of the National Union of Mineworkers, the Union of Construction Allied Trades and Technicians, the Associated Society of Locomotive Engineers and Firemen and the Confederation of Health Service Employees.

The Hattersley camp predicts that a leftist, Kinnock-Meacher ticket will find little support away from the London-based union "barons".

It also points out that he has 7.7 per cent of the union vote "in the bag" from the engineering section of the Amalgamated Union of Engineering Workers, with 850,000 votes, the Union of Communication Workers, with 192,000 votes, and the National Union of Railwaymen, with 160,000 votes.

Mr Dennis Davies, Labour MP for Llanelli, and a contender for the deputy leadership, said last night that there was a danger of the Labour Party being manipulated into a position where it was encouraged to see the deputy leadership election as a "shoot-out at the OK Corral" between Mr Meacher on the left and Mr Hattersley on the right.

● Labour MPs of both right and left were last night discounting reports that the election of Mr Kinnock as leader without Mr Roy Hattersley as deputy would lead to the defection of a large number of Labour MPs to a new centre party seeking alliance with the Social Democrats.

Black votes remained with Labour

By Nicholas Timmins

Black and Asian voters remained overwhelmingly loyal to the Labour Party at the general election and are forming an increasing proportion of Labour's electoral support, a study of the general election suggests.

Whether that can be turned to their advantage in terms of Parliamentary seats and influence within the party is one of the key questions of ethnic politics in the 1980s. Dr Donley Studlar, a visiting fellow at the University of Warwick Department of Politics, says:

Against opinion poll findings before the election which suggested widespread abstention by black Labour voters, Dr Studlar suggests that support for Labour among Asians and blacks may have eroded somewhat, but is still far from the floodtide reached by other groups.

"Although some defections, especially to the Alliance, were observable," Dr Studlar says in an article to be published in *New Community*, "non-whites remained overwhelmingly loyal to the Labour Party." Most continued to vote Labour and be represented by Labour MPs.

"The steadfastness of non-white voters to Labour is remarkable in view of Labour's precipitous decline among most of the electorate in the past 15 years. Even with only about 4 per cent of the total population, non-whites are progressively becoming a larger share of the Labour electoral coalition."



Shaping up: Sue Phillips (left), from Deptford, and Kathryn Rogers, from Potters Bar, at a Fitnic, keep fit classes for all, in Battersea Park, London, yesterday. (Photograph: Suresh Karadia).

Weather aids boom in visits

English gardens draw crowds

By Derek Harris, Commercial Editor

A summer boom in visits to English gardens, one of the cheaper attractions open to the public, is continuing this year after a rise of 9 per cent last year.

Open-air attractions from wildlife parks to amusement complexes are also benefiting from the good summer weather just as undercover attractions like museums did during the wet spring.

But there is a question mark over how far increased admission charges are affecting visits to historic buildings and other attractions. Admissions to historic buildings and monuments in England last year fell by 1 per cent over 1981, according to the English Tourist Board (ETB).

The average admission charge to historic buildings this summer is 80p, an 11 per cent increase over last year and about double the present rate of inflation. There are now 346 properties charging at least £1, and 38 others are charging £2 or more, according to the board.

Admission charges at monuments administered by the Department of the Environment have not gone up this year, and in the first three months of 1983 admissions were up by 9 per cent.

Up to the end of June this year visits to National Trust properties have also risen by 4 per cent. There have been a variety of admission charge increases but most are less than 5 per cent. Even key properties and attractions usually involve a total cost of rather less than £2.

Some historic buildings did see increases last year. Bowood House, Wilts, had a 45 per cent rise and Cheltenham was up 35 per cent. Other increases included Kenwood House (27 per cent),

HISTORIC HOUSES AND CASTLES IN ENGLAND

	1981	1982	% change	Admission
Tower of London	2,088,000	1,895,000	-9	23
Hampton Palace & Pump Room, Bath	657,000	675,000	+3	21.40
State Apartments, Windsor	727,000	658,000	-9	21.20
Stonehenge	546,000	531,000	-3	60p
Beaulieu	477,000	502,000	+5	23
Hampton Court Palace	524,000	467,000	-11	21.80
St George's Chapel, Windsor	500,000	451,000	-10	21
Shakespeare's birthplace, Stratford	480,000	441,000	-9	21
Anne Hathaway's Cottage, Shottery	328,000	340,000	+4	50p
Leeds Castle	300,000	240,000	-20	22.55
Blenheim Palace	340,000	312,000	-8	22.50
Salisbury Cathedral	300,000	300,000	0	Free
Peterborough Abbey, Brighton	316,000	291,000	-8	21
Tower Bridge	570,000	570,000	0	21.30
Croxteth Hall, Merseyside	201,000	219,000	+9	21.20
Carlisle House	3,680	2,800	-24	21
Dickens' House	17,422	21,500	+24	75p
Keats House	23,514	23,485	-0.1	Free
St Paul's Cathedral	115,535	107,593	-6.8	Free
The Monument	1,800,000	1,700,000	-5.6	Free
Westminster Abbey	1,301,000	1,300,000	-0.1	21
Battle of Britain Museum	131,000	134,000	+2.3	Free
British Museum	2,803,022	2,808,244	+0.2	Free
Jewel House	1,588,000	1,400,000	-12	Free
Tate Gallery	685,169	1,219,102	+77	Free
Victoria and Albert Museum	1,368,460	1,667,071	+21	Free
Whitbread Tennis Museum	15,599	22,000	+42	21
Westminster Zoo	517,184	608,505	+17.6	22.55
London Zoo	1,053,000	1,028,000	-2.4	22.75
NHS Belfast	215,250	220,412	+2.4	21.80
Mme Tussaud's	1,891,000	1,873,016	-1	22.50
Planetarium	538,277	530,350	-1.5	21.65

Leeds Castle (13 per cent), Warwick Castle and its new waxworks attraction (13 per cent) and Croxteth Hall on Merseyside (9 per cent).

A fall of 1 per cent in admissions, to some 1,265 sightseeing attractions last year is reported by the ETB. This included a drop of 2 per cent

Increased numbers of tourists from the United States are reported to account for increases this year in visits to attractions such as Shakespeare's birthplace and Anne Hathaway's Cottage. Windsor Castle reports visitor numbers up.

London tourist attractions, which last year had a difficult time, are now in the middle of

one of the best seasons for years.

Last year, only three of the top ten attractions saw increases: the British Museum (2.9 million visitors), the Victoria and Albert Museum (1.6 million), and the Tate Gallery (1.2 million).

The tower of London, the top attraction among England's historic buildings, saw a 9 per cent decline in the number of visitors last year. But the Tower, which has held its £3 admission charge to last year's level for the summer, this year reports an improved visitor flow.

English Heritage Monitor 1982: Dept of English Tourist Board, 4 Grosvenor Gardens, London, SW1W 0DU; £5.

Race guidelines for prisons attacked

By Peter Evans, Home Affairs Correspondent

New guidance issued to prison staff at the weekend on how to avoid racial conflict in jails was attacked yesterday by Mr Colin Steel, chairman of the Prison Officers' Association.

In the guidelines, the Home Office prison department warns officers against using words like "coon" or "wog", says religious minorities have the right to practise their faiths and if a newcomer to Britain needs a special diet it should be permitted if resources allow.

The move coincides with a clash last week between black and white prisoners in Wormwood Scrubs B wing for remand prisoners, where about a third of the 257 prisoners are black. Fifteen men, 11 of them black, have now been removed from the wing.

The Home Office document says separation of racial groups could lead to latent violence.

Mr Steel said: "It sounds as if they wish to have positive discrimination in favour of the black community, which would be even more dangerous than leaving things as they are. If there are individual cases of discrimination against blacks then the prison rules provide for governors to take action."

He feared black activists would use the guidelines to claim they were discriminated

against whenever they were disciplined.

Officers would take them as an aspersion on the way they were doing their job. Mr Steel said there should have been proper consultation before making such a document public.

The guidelines, signed by Mr Christopher Train, director general of the prison department, and Mr W. A. Brister, his deputy, have gone to all prisons.

Staff have occasionally been faced with tricky situations involving black prisoners and have been uncertain of their ground, the guidelines say.

They give a warning against pursuing good race relations with undue zeal or making casual decisions in favour of one minority group without considering the effect on others.

"All staff know that they are not allowed to use insulting or abusive language towards prisoners and it is hard to believe that there any who do not appreciate that words like 'nigger', 'wog', or 'coon' are grossly offensive."

But racial groups should not be allowed to opt for particular kinds of work or other activity through the exercise of self-discrimination.

Letters, page 9

Parsons in resignation mystery

Officials at 10 Downing Street were puzzled last night by a report that Sir Anthony Parsons, Mrs Margaret Thatcher's special adviser on foreign affairs, was resigning.

Sir Anthony is understood to be abroad and out of touch with



Sir Anthony Parsons.

the office. The Prime Minister's staff said that they could neither confirm nor deny the report, which appeared in one Sunday newspaper, that Sir Anthony would give up his part-time post in the autumn.

Mrs Thatcher appointed Sir Anthony last November, soon after his retirement from the Diplomatic Service.

Water leak closes nuclear station

Britain's latest nuclear station, which began feeding electricity into the National Grid eight days ago, has been closed because of a water leak.

But the Central Electricity Generating Board emphasized that the fault did not occur in the Hartlepool plant's nuclear section, which was "functioning perfectly". A spokesman said the fault was in the turbine housing and posed no danger.

The water leak was discovered last Friday and repairs are expected to take a week. Minor alterations will be carried out at the same time.

Hartlepool, an advanced gas-cooled plant, was nine years behind schedule when it started producing electricity last Sunday.

The shut-down is a further blow to the CEBG, which recently admitted that the original £250m cost of the power station had risen to £680m and that it would have to operate at full power for at least 30 years before it covers costs.

The environmental group Friends of the Earth yesterday called for a ban on proposed development of the bird refuge at Seal Sands on the Tees estuary, a 400-acre area near the Hartlepool power station.

Mr Christopher Rose, a member of the group said: "Reclaiming Seal Sands for Petro-chemical complexes would be sheer folly. The whole of Teeside could become one enormous time-bomb."

No government in its right mind would allow reclamation for chemical works right beside a nuclear power station. The atom plant has no effective protection from external blasts and the unscheduled shut-down simply shows the unreliability of complicated technologies."

Seal Sands is in the hands of the Tees and Hartlepool Port Authority.

Nalgo aims to disrupt private health care

By Our labour reporter

Militant action against the private health sector is being planned by the National and local Government officers' (Nalgo).

The union executive met at the weekend and drew up fresh proposals to disrupt facilities outside the National Health Service.

Nalgo hopes to enlist the help of the other unions in the NHS with amendment to a motion planned for the TUC Congress next month.

The amendment calls on trade unionists to refuse applications for private hospitals and to "black the administration and allocation of private pay beds."

It also urges non-cooperation with the progress of hiring-off state hospitals and services to private medicine and refusal to cooperate with non-NHS hospitals or any plans which mean job losses.

The amendment seeks to "beef up" a motion already on the preliminary agenda from the National Society of Metal Mechanics, which expresses concern at the growth of private medicine and calls on the next Labour Government to return to the state all privatised facilities.

Mr Geoffrey Drain, general secretary of Nalgo, said yesterday that he was sure that the motion would be passed by the Congress as amended.

"We think our amendment befits up the motion and makes it more fundamental. We are against all private growth of privatization," he said.

The executive also voted to support a system allowing all unionists to qualify for a seat on the TUC General Council.

Privatization report, page 4

Asbestos code may amount to ban

By David Nicholson-Lord

New asbestos restrictions proposed by a committee of international Labour Office in Geneva are so strict that this could make it almost impossible for industry to use any derivative of the mineral.

The code of practice is intended to form the basis of a binding international convention on the handling of asbestos, but sets such rigorous standards for occupational health that some experts believe it could mean a total ban. The ILO denies that it was that.

If the convention came into force, and Britain passed legislation to implement it, it could affect industries not so far involved in the controversy, because it proposes to add a form of asbestos known as tremolite, to the list of controlled substances.

The three main forms of the mineral recognized as health risks in Britain are crocidolite (blue asbestos), probably the most dangerous and banned for several years, chrysotile (white) and amosite (brown).

Tremolite, has not been recognized as a serious hazard in the United Kingdom and was excluded from the Asbestos Regulations 1969, which form the basis of present controls. It is widely used in the rubber and paper industries for smoothing and finishing.

The code has been drafted by an ILO committee and will be vetted by the governing body in November, with publication

probable early next year. ILO definitions are widely accepted as benchmarks by member nations.

Controversy has arisen over sections like those on asbestos cement, where the code says dropping or dragging of cement sheets "should be avoided". Woven asbestos materials, it says, should be cut, not torn. It calls for the sealing of rope ends when lengths have been cut from a coil of asbestos rope lagging.

These and other provisions have been condemned as unrealistic by such critics as Mr Douglas Sanderson, national officer with the building workers' union, UCATT, and the official responsible for health and safety.

The dropping of asbestos cement sheets on building sites cannot be avoided, Mr Sanderson believes, and lack of supervision and monitoring means that such provisions "just could not be carried out".

Mrs Nancy Teat, secretary of the Society for the Prevention of Asbestos and Industrial Diseases (SPAID), said: "The code shows just how dangerous asbestos is. To allow its continued use you have to have regulations which are so strict that they cannot be put into practice."

But the claims have been denied by Dr Robert Murray, former medical adviser to the TUC, who helped to draft the code.

Murder claims checked

By Our Crime Reporter

Detectives are searching through files on missing people and reports of unidentified corpses after claims by a man that he has murdered seven or eight vagrants in and around London during the past few years.

He made his claim while being interviewed by police last week on another matter and he has already appeared in court charged with a serious offence.

He told police he had killed the vagrants in various ways, but could not identify his victims. Officers are not sure how seriously to take his claims, but they are checking records to find any details which corroborate his story.

London's vagrants are often known by nicknames, which makes the police's task extremely difficult.

Navy set to show the flag

By Rodney Cowton

Defence Correspondent

Next month and in October the Royal Navy will be showing the flag in the Mediterranean on a scale unprecedented in recent years.

All three British aircraft carriers will be involved. HMS Invincible, accompanied by three escorts and two Royal Fleet Auxiliaries, will pass through on their way to a seven-month deployment in the Far East.

About a week later HMS Hermes and HMS Illustrious, accompanied by two frigates and two Royal Fleet Auxiliaries, will enter the Mediterranean for exercise "Display Determination". Royal Navy Fleet headquarters at Northwood, Middlesex, have confirmed.

They will exercise in the Eastern Mediterranean first with Greek forces, and then with Turkish forces. Royal Marines will be involved, practising amphibious landings in Turkey. "Display Determination" could turn out to be HMS Hermes' last exercise. She is officially intended to remain in service until 1985-86 when Ark Royal, the new carrier, should be ready for commissioning.

Overseas selling prices
Austria Sch 25, Belgium 20, Canada 25, Denmark 25, France 25, Germany 25, Greece 25, Hong Kong 25, India 25, Italy 25, Japan 25, Korea 25, Luxembourg 25, Malaysia 25, Mexico 25, Netherlands 25, New Zealand 25, Norway 25, Portugal 25, Singapore 25, Spain 25, Sweden 25, Switzerland 25, Taiwan 25, Thailand 25, United Kingdom 25, USA 25, West Germany 25, Yugoslavia 25, Zaire 25.

Nazi who built the gas vans

By Stephen Goodwin

Television viewers will tonight see the man who developed the mobile gas chamber after Hitler's extermination squads found themselves in the early war years unable to handle the psychological strain of carrying out the mass execution of Jews by firing squads. SS Colonel Walter Rauff apparently set about his task with unflinching zeal and a prototype gas van was developed in secrecy in a workshop at the colonel's Berlin office.

The van was tested on 40 Russian prisoners before an audience of SS officers at Sachsenhausen concentration camp. The Russians took 10 minutes to die from the exhaust fumes which were funnelled into the van as it trundled along.

The mobile gas chambers took the lives of 200,000 men, women and children. Rauff went on to become SS chief in Milan.

After the war he became a businessman and was able to travel freely from South America to Europe in the 1960s. He now lives in comfortable retirement in Santiago, Chile.

Rauff, one of the top three or four Nazi war criminals still at large, is the subject of a *World in Action* report on Granada Television tonight.

The programme includes an interview with Rauff in which about the only thing he concedes is that he is a lucky man to be living in Chile.

The point is made that although General Pinochet has "deported or exiled 10,000 Chileans," he has turned a deaf ear to pleas for Rauff's extradition.

Rauff did, however, tell the programme that he did not



Top: An SS extermination van. Above: Rauff as he is today and when he was arrested in Milan in 1945.

think he would have to go. After the test at Sachsenhausen the gas vans were deployed at the Polish village of Chelmo. Polish film reconstruction shows the vans were sometimes disguised as Red Cross ambulances. In six months 155,000 Jews are said to have died in Rauff's vans at Chelmo.

The mobile vans were followed by permanent death camps such as Auschwitz. Rauff, who had finished his work in Berlin by July 1942

went on to Italy, where he was arrested by American troops on April 30 1945.

Rauff's escape from the Allies remains

Government told costs will rise if it privatizes building design

By Staff Reporters

Government plans to use private companies to design its buildings could cost the taxpayer 20 per cent more than using civil servants, according to a report which was presented to ministers last year but has only just been made public.

The Report of the Working Group on Design Costs was jointly commissioned in 1981 by the Property Services Agency, which is responsible for government buildings, and by the Treasury, after Mr Michael Heseltine, then Secretary of State for the Environment, announced plans to privatize more design work.

Under the plans nearly two thirds of the design work of the Property Services Agency (PSA) would be farmed out, instead of just over one third. The staff of 2,500 architects, surveyors and engineers would be cut by 900.

The report from the working group, which reached Mr Heseltine last October, showed, however, that design costs in the four years to 1981 would have been a third more with the privatization scheme.

In the financial year 1980-81 design work done by the PSA which cost £47.7m would have cost £66.6m if farmed out to contractors; in the four years to 1981, the respective costs would have been £144.4m and £211.2m.

While the report says the difference might be reduced because of "a tendency to overstate" consultants' fees, referring to "profit which is partly a reward for risk", it still believes the difference would be 10 to 20 per cent.

The Government's avowed policy is that privatization should take place only if it provided good value for money to the taxpayer.

It was not published by Mr Heseltine, nor by his successor, Mr Tom King, although there were attempts by MPs to obtain more information.

Mr Patrick Jenkin, the present Secretary of State, had a copy of the report placed in the Commons Library, after MPs had dispersed for the summer recess.

Tomorrow Miss Linda Cohen, assistant secretary of the Institution of Professional Civil Servants, which represents the designers, will seek an urgent meeting with Mr Jenkin to ask him to stop the rundown of PSA design staff.

A department spokesman said yesterday that the report had been published in the usual way on July 28 and would probably play a part in future discussions of manpower needs within the PSA.

Threatened counties fight back

By David Walker
Local Government Correspondent

Leaders of the threatened metropolitan counties are stepping up their campaign to secure the backing of local industrialists and business executives for the counties' survival.

They are encouraged by the recent admission, by the Confederation of British Industry that the weights and measures and consumer protection work now done by the counties must remain a county responsibility.

The CBI's submission to the Department of the Environment on the future of the metropolitan counties, pressed for county-wide authorities for waste disposal, passenger transport, airports and strategic planning as well as consumer protection.

"The major task of the consumer protection services is the enforcement of national trading standards legislation", the CBI said.

New leads in hunt for girl's killer

Fresh leads are being investigated throughout Britain by detectives seeking the killer of Caroline Hogg, aged five. More than 100 people telephoned with information after the publication of two artist's impressions of a man or men the police want to interview.

Edinburgh detectives are also waiting for video film to be flown from Australia. It was taken on the promenade, Portobello, near the girl's home, on July 8, the night she disappeared, by an ex Scot who now lives with her husband near Melbourne.

Correction

The first seven colleges and results in the Nottingham table of Oxford final examinations on Saturday should have read:

	Pts	Per	Per	Pts
St John's	218	302	72.0	140
Jesus	215	302	71.8	138
St Catherine's	215	303	71.0	139
Bailliol	247	381	70.4	140
University	215	302	70.3	138
Lincoln	158	225	70.2	119
Hartford	208	288	70.1	138
Totals (unrounded)	5376	7814	67.9	ave
(Last year's position in brackets)				

Sun 'made up' interview with widow of VC

A "world exclusive" interview which *The Sun* claimed to have had with Mrs Marica McKay, widow of Sergeant Ian McKay, who was posthumously awarded the Victoria Cross after his death in the Falklands campaign, never took place, the Press Council says today. It was a deplorable, insensitive deception on the public, the council adds.

Mrs McKay, who cooperated in the council's investigation, denied giving any interview for the story, by John Kay of *The Sun* defence staff. She said some remarks attributed to her were totally untrue.

Mr Kenneth Donlan, *The Sun*'s managing editor, said Mrs McKay had had Mrs McKay "under its protection" and refused to let her talk to other reporters. The story was put together from previous quotations and an interview with the parents of her late husband.

The Press Council upheld a complaint by Mrs Caroline Metcalfe, of Horn Lane, Woodford Green, Essex, that the newspaper published a fabricated interview, called a world exclusive, with Mrs McKay, which was a deception of its readers.

The *Sun* two-page spread featured interviews with the widow of Lieutenant Colonel H Jones and Sergeant McKay under a sub-heading: "World exclusive: Pride and the heart-break of two VC's widows".

The report complained of began: "VC's widow Marica McKay fought back her tears last night and said: 'I'm so proud of Ian. His name will remain a legend in the history books for ever'".

On the same day the *Daily Mirror* also carried interviews with the two widows. The story about Mrs McKay, "My VC hero", was described as "Exclusive: A widow's own brave story".

Eleven days later, under the headline "The *Sun* sinks even lower", the *Daily Mirror*'s comment column said: "The *Sun* is a lying newspaper... Mrs McKay was lying and at the time of the 'interview', she did not speak to *The Sun*."

Mrs Metcalfe told the Press Council that either *The Sun* or the *Daily Mirror* was lying and she had no independent evidence, but suggested

that the council should make contact with Mrs McKay.

A fortnight later Mr Peter Hillmore's Pendenis column in *The Observer* reported that the council was investigating and that Mrs McKay had told him: "I never spoke to *The Sun*."

The council suggested to Mrs Metcalfe that it might be courteous of her to tell Mrs McKay of her complaint because the VC's widow had not complained. No reply was received for two months and the council wrote to Mrs Metcalfe, saying that it knew she had received the letter because of a distorted reference to it in the *Sun*.

Mrs Metcalfe replied that she had sent the letter to *The Observer*. She had not heard from the editor of *The Sun*, who had been notified, and wished to pursue the complaint.

Meanwhile the council made contact with Mrs McKay, who had doubts about the matter. The council decided that the complaint should proceed while appreciating that it was not made by Mrs McKay or on her behalf, and Mrs McKay cooperated in the inquiry.

Mrs McKay told the council: "The only newspaper I gave an interview to was the *Daily Mirror*. They were my only contact with the press at the time the awards were made public."

Mr Donlan said the decision to put together available material from Mrs McKay was taken after the *Daily Mirror* refused to let her talk to *The Sun*.

The Press Council's adjudication was: "Before pursuing this matter the council asked Mrs McKay whether she has any objection to its investigating the complaint. She said she has not. She has cooperated in the investigation and has denied giving the interview reported in *The Sun*, and has told the council some remarks attributed to her in it are totally untrue."

The "World Exclusive" interview with the widow of Sergeant Ian McKay VC which *The Sun* boasted of having obtained never took place. In pretending that it had, the newspaper practised a deplorable and, in these circumstances, insensitive deception on the public. In the *Sun* story published in *The Sun* was a cobbling together of material previously published elsewhere. The complaint against *The Sun* is upheld and the newspaper censured.



Mission accomplished: Sun Tianqin, the Chinese defector, with his MIG 21 at a military base near Seoul.

Seoul air alert as pilot defects

Seoul (Reuters) - The pilot of a Chinese MIG21 defected to South Korea yesterday setting off an air raid warning and arousing fears that the country was under air attack from North Korea.

The Defence Ministry said South Korean aircraft scrambled and escorted the Chinese aircraft to an unnamed air base where the pilot, the fourth to defect from China, was being questioned.

He was later identified as Sun Tianqin, aged 46, of China's test air wing. South Korean authorities said he immediately asked to be sent to a third country.

The state radio interrupted programmes to say an enemy air attack was taking place west of Seoul but later said the alert was caused by the MIG21

penetrating South Korean air space.

A similar warning was sounded in May when a Chinese airliner suddenly appeared over South Korea after being hijacked by six Chinese on a domestic flight. The six are now on trial here.

The last Chinese Air Force pilot to defect to South Korea was Captain Wu Yung-ken, aged 25, who flew his MiG 19 here in October. He was later granted political asylum in Taiwan where he received £1.7m in gold and became a major in the Nationalist air force.

A North Korean pilot flew a MIG19 to the South in February, the seventh North Korean pilot to defect here since the peninsula was divided at the end of the Second World War.

Yesterday's air raid warnings came two days after South Korea said it had sunk a North Korean spy ship off its east coast, killing five commandos on board.

A Defence Ministry spokesman said another North Korean vessel escaped.

Analysts said the sinking, which came nine days after the thirtieth anniversary of the signing of the Korean War armistice, showed how precarious the ceasefire was between South and North.

● PEKING: If the Chinese hijackers who seized an airliner in May do not receive heavy sentences, China fears there may be further hijackings (David Bonavia writes).

The hijackers have claimed right of resettlement in Taiwan

as political refugees. The South Koreans could use this to put pressure on China to improve relations between them, something the South Koreans want very much as a guarantee against invasion from the North.

South Korea cooperated willingly with China in returning passengers and crew of the airliner and it has also granted China overflight rights for its services to Japan. But China is still unwilling to improve its links with South Korea for fear of driving North Korea's President Kim Il Sung closer to the Soviet Union.

● TOKYO: North Korea said yesterday that the ship sunk on Friday was not a spy ship but a South Korean vessel fired on by its own side (Reuters reports).

Volta leader tries to allay fears

Abidjan, Ivory Coast (Reuters) - Captain Thomas Sankara, Upper Volta's new leftist military leader, has pledged support for all liberation movements but has sought to allay fears that his regime will be a destabilizing influence in West Africa.

Diplomatic sources in Abidjan told Reuters that Captain Sankara had briefed diplomats in Ouagadougou on Saturday, emphasizing that his new National Revolutionary Council would play a more active part in the non-aligned movement.

Captain Sankara said the new authorities wished to "extend a fraternal hand to all Upper Volta's neighbours", the sources said. He also wanted to reassure pro-Western countries, such as Ivory Coast, in case they feared the new leftist regime could be a disruptive factor in West Africa.

Captain Sankara, aged 34, a



No pawn: Captain Sankara, the coup leader.

paratroop commander, overthrew the moderate President Jean-Baptiste Ouedraogo in a coup on Thursday.

Colonel Gaddafi, the Libyan leader congratulated Captain Sankara on Saturday over the "revolutionary uprising". But in an interview with a French radio station the same day Captain Sankara said he was no pawn in Colonel Gaddafi's hands.

● RABAT: The thaw in relations between Morocco and Libya which began a month ago with Colonel Gaddafi's first visit here in 14 years has gone a stage further, after a visit to Libya by a group of senior Moroccan ministers (Godfrey Morrison writes).

They signed a commercial agreement intended to increase trade between the two countries.

Nigeria result likely to be close

Lagos (Reuters) - Results in the Nigerian presidential election started to filter into Lagos yesterday but electoral officials said none would be announced until all had been received and the outcome is unlikely to be known before tonight.

There were no firm pointers although the main parties were eager to tell of areas where they believed success was in sight.

The result is likely to be close between incumbent President Shugu Shagari of the National

Party and Chief Obafemi Awolowo of the Unity Party.

The election did not pass without problems of organization, and at least three of the six parties involved have complained formally to the Federal Electoral Commission about alleged irregularities.

Mr Victor Ovie-Whitkey, the commission's chairman, said that one incident being investigated occurred in Cross River State in the east.

He said it had been alleged

that Mrs Helen Eusebe, who was dismissed as a commission official last week when it was discovered her husband was the Unity Party candidate for Governor, seized the papers and refused to give them up. Mr Ovie-Whitkey said voters' rights would be protected, but did not say how.

The independent *Guardian* newspaper called the prevailing calm remarkable, and other newspapers were similarly congratulatory.

Bishop Tutu predicts Soweto-type violence

Vancouver (Reuters) - Bishop Desmond Tutu said here that conditions in South Africa were very volatile and he would not be surprised by another explosion of violence like that in Soweto where hundreds of people died in 1976.

Bishop Tutu, an Anglican and Secretary-General of the South African Council of Churches, also told a news conference on Saturday that the Government appeared to be having some success with its apartheid policies.

The South African Government, which confiscated Bishop Tutu's passport in 1981, two weeks ago abruptly gave him permission to attend the assembly of the World Council of Churches here. He was also allowed to attend church conferences in the United States and New Zealand.

The Bishop described conditions in South Africa as "very volatile" when asked to comment on the killing of several black protesters and the wounding of many others in a clash with police on Thursday in Middelburg, the largest black community after Soweto.

"We appear to have a surface calm where the authorities seem to have everything under control", the Bishop said. "But I would not be surprised at all if I learnt there was another explosion along the lines of June 1976."

He said the Government appeared to be enjoying success with such apartheid goals as "the uprooting and dumping of people in places such as the Ciskei (the nominally-independent black homeland). Future trouble was probably more likely in impoverished rural parts "where people would kill because they wanted to eat".

● CASTELGANDOLFO: The Pope yesterday offered a short prayer in communion with the World Council of Churches for Christian Unity (AP reports).

US sends Awacs to Chad

From Christopher Thomas
Washington

Washington, which has declared its "strong strategic interest" in preventing further military intervention in Africa by Colonel Gaddafi, the Libyan leader, announced at the weekend the dispatch of fighter and reconnaissance aircraft to support Chad against Libyan-backed forces.

A State Department communiqué said: "After consultations with several governments, including the French, we have moved some of our aircraft to where they could be most useful in monitoring the situation in Chad."

America has sent two Awacs electronic surveillance aircraft, with an F15 fighter escort, aerial tankers, and other reconnaissance aircraft. According to one Administration source quoted yesterday the aircraft would operate from Sudan, to the east of Chad. The US has been steadily increasing its ties with Sudan in recent years.

An Administration official described the situation on the ground as "grim", with Libyan tanks driving south. It was believed that Libyan troops and Libyan-backed rebel forces were close to Faya-Largeau, in northern Chad.

Awacs carry radar and other electronic equipment which enables crews to monitor aerial battles and to guide fighters and bombers to targets in the air.

● PARIS: Chad forces have shot down a Libyan aircraft over Faya-Largeau and captured its pilot, the Chad Embassy said (Reuters reports).

S African reforms face bitter fight from MPs today

From Ray Kennedy, Johannesburg

The curtain will rise today on the most bitter political debate since the Nationalist Party came to power 35 years ago - the Government's plan for constitutional reform which will give the country its first multiracial Parliament.

After a five-week recess the present all-white Parliament is assembling for possibly the last time for the debate on the third reading of the Reform Bill.

The official Opposition, the Progressive Federal Party, which considers the reforms grossly inadequate because they exclude black Africans, and the Conservative Party, which has condemned them as political suicide which will destroy white self-determination, will fight the measure clause by clause.

However, the Government is determined to complete its work within a month.

Today MPs will be presented with the report of an all-party select committee which has been considering the Bill during the recess. It was empowered to suggest amendments but not to propose changes to the principles established by the second reading, particularly the Opposition's demand for a fourth chamber of Parliament for blacks.

The Bill at present provides for a Parliament divided into three chambers, one each for the 4.5 million whites, 2.7 million mixed race coloureds and 850,000 Asians. But it ensures that ultimate power remains in white hands through the office of a powerful executive president chosen by a white-dominated electoral college.

The furious debate on the plan has continued outside Parliament throughout the recess with the most significant development being the emergence of a split in the ranks of the Broederbond, the powerful Afrikaner secret society which is

Dr Treurnicht argues that the President would be solely empowered to choose the Cabinet and if he chose he could appoint an entire Cabinet from outside the three Parliaments which was not responsible to the voters.

The Association of Chambers of Commerce, the country's leading business organization, has also urged that the President's powers be limited. It says he should not have absolute power to decide what matters should be designated "own affairs" of one of the three Parliaments, or "general affairs" relating to all of them because of the risk of him being held responsible for wrong or bad decisions.

The reform plan will have its final test in a referendum for which a date has yet to be fixed.

Jail term for Israeli ex-minister

Tel Aviv (Reuters) - The Israeli Supreme Court has sentenced a former Cabinet minister to three months' jail for appropriating public funds.

Mr Aharon Abuhazera, leader of the Tami Coalition Party which contributed three seats to the government coalition, was jailed after the Supreme Court upheld a prosecution appeal against a suspended sentence imposed last year.

It was not immediately clear whether Mr Abuhazera would resign from parliament. Under Israeli law, an MP can be forced to give up his seat only if he is sentenced to more than a year in jail.

Hiroshima plea against Bomb

Hiroshima (Reuters) - Mr Takeshi Araki, the mayor of Hiroshima, renewed a call for nuclear disarmament as the city marked the 38th anniversary of the world's first atomic bombing. He addressed about 50,000 people at a memorial service for the estimated 151,000 victims of the 1945 attack.

Anti-nuclear protesters remembered Hiroshima in peaceful demonstrations in 60 cities across the United States.

Genghis recalled

Peking (Reuters) - Mongol herdsmen were among 1,000 people who staged a memorial service at the tomb of Genghis Khan, the warrior whose oppressive empire once stretched from China to the gates of Europe.

Seychelles poll

Victoria, Seychelles (Reuters) - Seychelles voters went to the polls yesterday to elect a new People's Assembly. Only candidates from President Albert René's party were allowed to stand.

Paranoid paradise, page 8

No contest

Los Angeles (Reuters) - Victor Korchnoi, the defuncting Soviet chess grandmaster, was declared the winner of the semi-final candidates match in Pasadena after Garry Kasparov, of the Soviet Union failed to appear.

Treasure trove

South Wellfleet, Massachusetts (AP) - A treasure hunter claims to have found an English ship that sank off Cape Cod in 1717 with what may be \$200m (£133m) in gold, silver and jewels.

Premier better

Louvain (AP) - Mr Wilfried Martens the Belgian Prime Minister, was recovering satisfactorily yesterday, 48 hours after he underwent open heart surgery. He is 47.

149 lost at sea

Jakarta (AP) - Two boats, one a cargo vessel loaded with passengers and the other a ferry sank in separate accidents in the Java sea and at least 149 people are missing.

Europe's wine prospects: Part 4 Spain alarmed by bumper harvest

In the final article on European wine, HARRY DEBELIUS reports from Madrid on the prospects for the 1983 harvest in Spain.

The Spanish Government takes little comfort from the prospect that the country's vineyards will produce enough must to make about 850 million gallons of wine this year despite the prolonged drought.

Agriculture Ministry officials are disturbed by the vastness of the predicted crop, since there is a price support programme under which the state buys surplus wine for distillation into alcohol for general use. The bigger the crop, the more subsidies have to be paid out.

Theoretically the drought which has scarred much of Spain for more than three years should have led to a smaller crop. The quantity expected, however, reflects the results of planting new vineyards in the 1970s, since the vines do not generally become fully productive until four to seven years after planting. The quantity also testifies to the existence of some unauthorized vineyards and to the fact that a small percentage of Spanish farmers occasionally irrigate their crop,



despite specific regulations against irrigation of grape vines.

This is the situation in some of the better known districts:

Growners in the sherry district are not terribly unhappy about predictions that vines there will yield only about 50 per cent of the usual volume. International sherry sale have remained more or less constant for the past few years after a boom in the mid-1970s which encouraged the planting of new vineyards and the construction of more bodegas. A bumper crop would only mean excess stock. Quality is fairly constant in this unblemished land, and traditional blending assures a high standard in the sherries shipped to market.

In the Penedes district near Barcelona, the bodega owners are selling. The vineyards there have seldom looked so good, according to Señor Alberto Fornes of Torres Wines. Barring unforeseeable mishaps, the harvest should make 1983 the third very good-to-excellent vintage year in a row.

In Rioja district, which produces Spain's best known table wines, it is a different story. With only a few exceptions, the quantity will be probably about one-fourth below average and the quality only fair to good. The Rioja vines are showing the results of last year's drought, prolonged mild weather in the spring of the year and summer hailstorms.

In the central region of La Mancha, which produces more wine than any other part of the country and which consists of several separate wine districts, the grape crop is expected to be of normal quantity and of good quality. Spring rains helped the vines recover from an excessively dry year last year, and flowering/formation of the fruit was generally good.

Concluded

Jayewardene claims he has thwarted scheme to set up a dictatorship

From Michael Hamlyn, Colombo

President Junius Jayewardene sits in his upper middle-class house in the elite Cinnamon Gardens area of Colombo and somberly reflects on the ruins of the commercial centre of the city.

Despite the spasm of race hatred which has left 300 people dead and countless homes and businesses destroyed he takes some grim satisfaction from the fact that the fit is over and the institutions of Government are still in place. "You see, you people think it was just a riot. It was not," he said thoughtfully. "It was a revolution."

He feels like a man who has prevented George Washington from carrying through the American revolution or stopped Lenin in his tracks. For he has no doubt that the riot was part of a plan to topple him from power and install a left-wing military dictatorship.

The wily President, who made himself both head of Government and head of state when he amended the constitution soon after he came to power, has won every election since. His most recent success was in the referendum which extended the life of the present parliament for another six years, keeping him and his party in power until 1989 - short of a military coup.

The pattern of Sinhalese-Tamil race riots in Colombo is of a brief and vicious flare-up, a rigorous curfew and a sudden dying-down. This time there was no dying-down, for many days.

This time, the Government detected plain signs of deliberate organization. The rioters, seeking out Tamil homes and burning them, had a particularly detailed knowledge of who lived where and who owned what.

The Government's information came from inside the Janatha Vimukthi Peramuna (JVP), the People's Liberation Front, which 12 years ago led an armed insurrection against the Government of Mr Sirimavo Bandaranaike. In that campaign 1,200 people died, and the Prime Minister sought military assistance from her neighbours.

"In that conclusion, a breakdown of law and order, dissidents in the armed forces



President Jayewardene: "It was a revolution."

and police would say: 'The Government cannot govern. We are taking over, and that's the end of one chapter.'

The President - known to everyone throughout the island state as "J.R." - clearly finds his perch on his democratic throne uneasy. Though he affirms that you can't take over and keep an army in power unless the people are with you, he is plainly anxious about left-wing infiltration of the armed forces, and also about the effect of the continuing Tamil terrorist action in the north.

He thinks that another mistake was not to outlaw talk of separatism as soon as it appeared, for he has been made to appear dangerously soft on Tamil to the hardliners in his own Cabinet and in the armed services. He has, in fact, done much towards satisfying Tamil aspirations.

He has prompted action to make Tamil an official language of the country, the devolution of central powers to district councils and the solution of a bitter dispute over admission to universities. He would have done more, he says. He was to propose at the round-table conference convened earlier last month that if the Tamil United Liberation Front (TULF) would withdraw, or at least postpone, a demand for the independence of Eelam, the Tamil-inhabited area in the north and east of the country, other blessings would follow.

Mrs Bandaranaike locked the rebels up. But in 1977 the electorate did what the JVP had

been unable to remove her from office. Mr Jayewardene, the new Prime Minister, opened the flood door to the JVP leaders.

"I wanted to give them a chance in the democratic arena," he said ruefully. He smiled: "Looking back, it looks as though I made a mistake."

According to the President the idea was for the revolutionaries to capitalize on the ill feeling between Sinhalese and Tamils, then to create ill feeling between Sinhalese and Muslims. There were a few attacks but not successful, he said. They also hoped to store up ill feeling between Buddhists and Christians. Again there were a few attacks, but not successful.

If they had succeeded, there would have been by this time a fairly general conflagration. Then he said they aimed to attack the food stores and to destroy the food supplies.

"But," he said sadly, "the TULF boycotted the talks."

When, therefore, mayhem came to the streets and with the Army retreating, he took the opportunity to take tough measures against separatism. To the outsider it looked as though he were being unreasonably hard on the Tamil population, but, as he put it, "The Tamils were the victims. I had to protect them. I knew any words of conciliation or advice to the rioters were useless."

"My purpose was to destroy any backing the political leaders of the riot had - any mass backing, which we have done."

The result was the sixth amendment to the constitution, which passed through Parliament on Thursday, depriving people of their civil rights, property and much else if they publicly espoused the cause of a separate state.

The amendment is tantamount to proscribing the TULF and it remains to be seen how the party will react. It would be pleasant to think that the TULF would adapt to the new situation, and continue to work within the democratic system, but experience has shown that whenever moderates come forward within the Tamil community the terrorists drive them back.

"Before there can be any progress, terrorism must be eliminated," the President said.

Sri Lanka troops went on rampage

From Our Own Correspondent, Colombo (censored)

Details are emerging of the events of Sunday July 24, when members of the Sri Lankan armed forces stationed in Jaffna, in the north of the country, went on the rampage and killed a number of innocent Tamils after the ambush in which 13 soldiers died.

The government spokesman, Mr Douglas Liyanage, admitted that 20 civilians had been killed in Jaffna, but reports from the town indicate that the number of deaths may be higher.

There are still a number of residents in hospital being treated for bullet wounds received that day. A statement signed by Mr Appapillai Amirthalingam, secretary of the Tamil United Liberation Front, said: "Almost 40 people were gunned down by army personnel in the streets and in their homes."

According to residents of Jaffna, which is 95 per cent Tamil, the ambush by Tamil

Tiger terrorists caused an instant reaction by the 1,200 members of the services stationed like an army of occupation in the town.

Two separate incidents, at least as attested to by witnesses. In one, a bus in Manipay, about six miles outside Jaffna, was stopped at 7am by a squad of troops. The young men on the bus were separated from the rest of the passengers, lined up and shot. Six died, according to reports.

In the other incident, troops near the scene of the ambush found a house which did not have its shutters drawn, and fired through the windows.

"They killed a man, aged 83, who was asleep in bed, and also shot his son, who approached the soldiers with his hands up."

Witnesses at the house said pools of blood surrounded the bed in which the old man lay. His widow was not permitted to

bury him until Wednesday, when the curfew was relaxed.

Yesterday, Tamil United Liberation Front MPs met in special session in Vavuniya to decide their attitude to the sixth amendment to the constitution, which makes it unlawful to espouse Tamil separatism.

They decided to continue their boycott of Parliament, and will not appear later this week when the session resumes. They will not, therefore, take the oath of loyalty to the unitary state of Sri Lanka prescribed in the amendment. In the meantime, they have referred to their politburo, a committee of senior members, the question of what to do next.

A positive sign that Sri Lanka is returning to normal came yesterday with the announcement that the curfew which has been imposed for the past fortnight will begin at a later hour from tonight.

Four arrested for anti-Mafia chief's murder

Palermo (Reuters) - Police have arrested four people in connexion with the car bomb murder a week ago of one of Sicily's top anti-Mafia prosecutors.

A leading Sicilian businessman has also been given a formal warning that he is under investigation for alleged involvement in a criminal association.

The arrests were linked to the July 29 murder of Signor Rocco Chinnici, aged 58, a magistrate. The warning to Ignazio Salvo, aged 52, a wealthy and influential Sicilian with interests in agriculture, tourism and building, was not directly related to the killing, sources said.

Andropov postpones summer break

Political speculation heightened in Moscow at the weekend after an apparent decision by President Andropov to delay a planned summer holiday in the Caucasus.

When Mr. Brezhnev was President it became customary for the Soviet leader to spend most of August in the Crimea, before political activity resumed in September. It had been expected that Mr Andropov would choose to relax in the spa and rest cure centre of Kисловодsk, near his birthplace in the northern Caucasus. Mr Andropov has a private dacha at an exclusive Kislovodsk sanatorium, where he receives treatment for a kidney complaint.

It has become clear that unlike Mr Brezhnev, Mr Andropov does not intend to hold summit meetings with Warsaw Pact leaders at his holiday

retreat. Mr Janos Kadar, the Hungarian leader, held talks with the Soviet leader three weeks ago, but the two men met in the Kremlin.

Mr Gustav Husak, the Czechoslovak leader, left Russia at the end of July after a holiday without any indication that he had seen Mr Andropov.

Mr Andropov has been rationing his public appearances because of sporadic ill health. Last week he met Mr Le Duan, the Vietnamese party leader, after celebrations marking the eightieth anniversary of the Soviet Party, and had then been expected to take a rest in the Caucasus after last Thursday's regular Politburo session. Instead he appeared in Moscow for talks with Mr Alvaro Cimbal, the Portuguese Communist Party leader.

It is thought that Mr Andropov may still leave Mos-

cow for an August break after a short delay, although no announcement has been made. He is believed to be using a new presidential dacha on the outskirts of Moscow equipped with vital communications.

It is said that Mr Andropov's propensity for hard work (despite health problems) has also kept him at his desk. He has little time for some of the more sybaritic aspects of his predecessor's rule.

Yesterday Pravda announced new measures on labour discipline, making it clear that those who follow Mr Andropov's lead and work diligently will be rewarded while slackness and absenteeism will be punished. The Andropov leadership launched a drive for discipline at the beginning of the year, but the campaign has recently run out of steam.

Professor offers Russia balm for Reagan rhetoric

From Our Own Correspondent, Moscow

An American university professor yesterday urged readers of the newspaper *Sovetskaya Rossiya* not to take President Reagan's attacks on the Soviet Union literally.

Professor Richard Delgado, identified as professor of law at Seattle, Washington state, said that Mr Reagan's description of the Soviet Union as "the embodiment of evil" had come in a speech to a religious group early in his election campaign.

"Most probably his remarks were metaphorical and religious in character, rather than military and political," Professor Delgado wrote. He said that most Americans disapproved of such tough language, and wanted the Reagan Administration to improve relations

American links with Syria improve

Between the two countries would now continue.

"We've had a very useful exchange," he told *The Times* in the sort of words diplomats use when contact is more important than achievement.

"It has given us food for thought, a solid basis for continued dialogue."

Looking tired and pausing before each held out any hopes of persuading the Syrians to withdraw from Lebanon. Asked if there had been any progress on the issue, he blurted: "Nothing concrete," and stepped into his armoured limousine for the drive to Damascus airport.

There is indeed unlikely to be any new initiative either by

Syria or Washington on military withdrawal from Lebanon. Mr McFarlane apparently listened more than he talked to President Assad, who smiled warmly when he greeted the American envoy but who is said to have repeatedly told Mr McFarlane that Syria regarded the Israeli-Lebanese withdrawal agreement of last May as a guarantee of Israel's expansion into Lebanon.

The question of troop withdrawals was not raised in specific terms.

Throughout the weekend, Mr McFarlane has been the subject of the same kind of angry leading articles here that once vilified his predecessor, Mr Philip Habib. Mr McFarlane, the English-language Syria

Times announced yesterday morning, was only coming to Syria to market ugly American policies.

After his meeting with Mr Abdul Halim Khaddam, the Syrian Foreign Minister, on Saturday, Foreign Ministry officials here let it be known that the American envoy "had nothing new to offer."

In the past, the United States, to its cost, to ignore Syria and Mr McFarlane is trying to change this policy. The Syrians believe that President Reagan has been blinded by Israeli propaganda and that the Americans have yet to learn that there can be no question of resolving the Lebanon issue through the withdrawal accord.

Leading article, page 9

Post-Falklands Argentina: Part 1:

Public prefers the peaceful path

In the first of two articles on Argentine thinking on the Falklands, our Buenos Aires correspondent, ANDREW THOMPSON, examines the mood of politicians and the public.

On current form, the forthcoming elections here will begin to change attitudes over the Falkland Islands dispute. The polls will be held on October 30, and a new civilian government will be in place by the end of January, 1984.

Argentine politicians are convinced that the return to constitutional rule is a vital precondition for the formulation of credible foreign policy. "After seven years of military rule, we are going to have to rebuild our international relations at all levels," said Señora Elsa Kelly, a foreign relations expert of the Radical Party.

Señora Kelly recognizes that the country's chronic political instability, with its history of come and foreign policy U-turns, has damaged its ability to act seriously in the international arena.

She flatly rejects the familiar argument of successive military governments: "In my party, we don't believe that our country's had international image is caused by an anti-Argentine campaign," she insists. The first priority, she says, is to reestablish the rule of law within the country, and thereafter formulate domestic and foreign policies which are democratic, in that they will reflect the desires of the majority of Argentines.

When it comes to analysing last year's war, the politicians are at a disadvantage, because there has still been no full domestic post-mortem. The Argentine version of the Franks Commission report has yet to be produced. The Inter-forces commission, presided over by retired General Benjamin Rattenbach, is completing its investigations, but it is doubtful if it will be published in full. Most politicians are convinced, in any case, that the next congress will organize its own investigation.

Despite this, there is a willingness to re-examine and reinterpret the historical record. Señor Leopoldo Tettamanti, a former ambassador and Foreign Ministry official belonging to the Peronist Party, is convinced that "both the Argentine and the British people saw last year's war, which cut short so many young lives, with horror. It is not yet the right moment to analyse the responsibilities of both governments, but certainly, none of them is free from blame."

In Señor Tettamanti's view, the Galtieri

regime was guilty of "taking the country into an imprudent war, in both political and military terms". Britain, on the other hand, was guilty of "insisting on maintaining control of part of our territory". Now, he says, "It is time to think of the future."

One of the key factors in determining Argentina's position in the future is public opinion, which the politicians say has been ignored or manipulated by military regimes. Surprisingly, there have been few opinion polls on the issue of the South Atlantic. Nevertheless, the indications are that the majority of the population continues to demand sovereignty over the Falkland Islands, and wants it achieved by peaceful negotiations.

The next government, the politicians are convinced, needs to demonstrate to Argentine public opinion - and not least to the armed forces - that democracy and peaceful diplomacy can achieve successes in the South Atlantic where the Galtieri brand of militarism could not. The focus of the current debate is therefore how to get the British Government to agree to serious negotiations.

Tomorrow: A formal cessation of hostilities

Zanu to rule forever, says Mugabe

Harare (AP) - Mr Robert Mugabe, the Prime Minister of Zimbabwe, marked the founding of his ruling Zanu party's 20th anniversary yesterday with a renewed pledge to create a one party state.

Mr Mugabe told several thousand cheering supporters in Harare's Parliament Square: "A one-party state is what we want, and that it shall be."

He said Zanu should govern "forever", and when Zanu became the only party only card-carrying members would be allowed as MPs.

UAE envoy to be reappointed

After a delay of nearly three months, the reappointment of Mr Muhammad Mahdi Al-Tajer as Ambassador of the United Arab Emirates in London is expected to be announced shortly (Rodney Lowton writes).

Mr Al-Tajer was Ambassador in London for 10 years until he resigned last year. In May, when letters of credence for his reappointment were presented, they were rejected by the Foreign Office.

Fans fight

Calais (AFP) - Several people were injured at Guines near here on Saturday in a fight between English and French football supporters after a match between Calais of the French third division and English second division team Crystal Palace.

Off the track

Hockenheim (Reuters) - Andrea de Cesaris, the Italian racing driver, was fined £3,300 on Saturday after he caused two accidents and knocked down a policeman on his way to practice for the West German grand prix. Race report, page 23

No strike

Toronto (Reuters) - The New York Yankees baseball star Dave Winfield will not be prosecuted for accidentally killing a seagull with a warm-up throw during a game against the Toronto Blue Jays, a Toronto prosecutor has decided.

Lest we forget

Nieuwpoort, Belgium (AP) - Hundreds of veterans from several nations including Britain took part in a ceremony commemorating those who died in the trenches here during the First World War.



End of the line: A 16½ ft great white shark weighing 3,000lb caught at Mystic, Connecticut at the weekend by two charter boat captains after 10 hours.

Bomb explodes at American base

Ramstein Air Base, West Germany (Reuters) - A bomb exploded outside a United States Air Force base early yesterday and more than 160 anti-nuclear demonstrators were arrested at Europe's biggest military air show here.

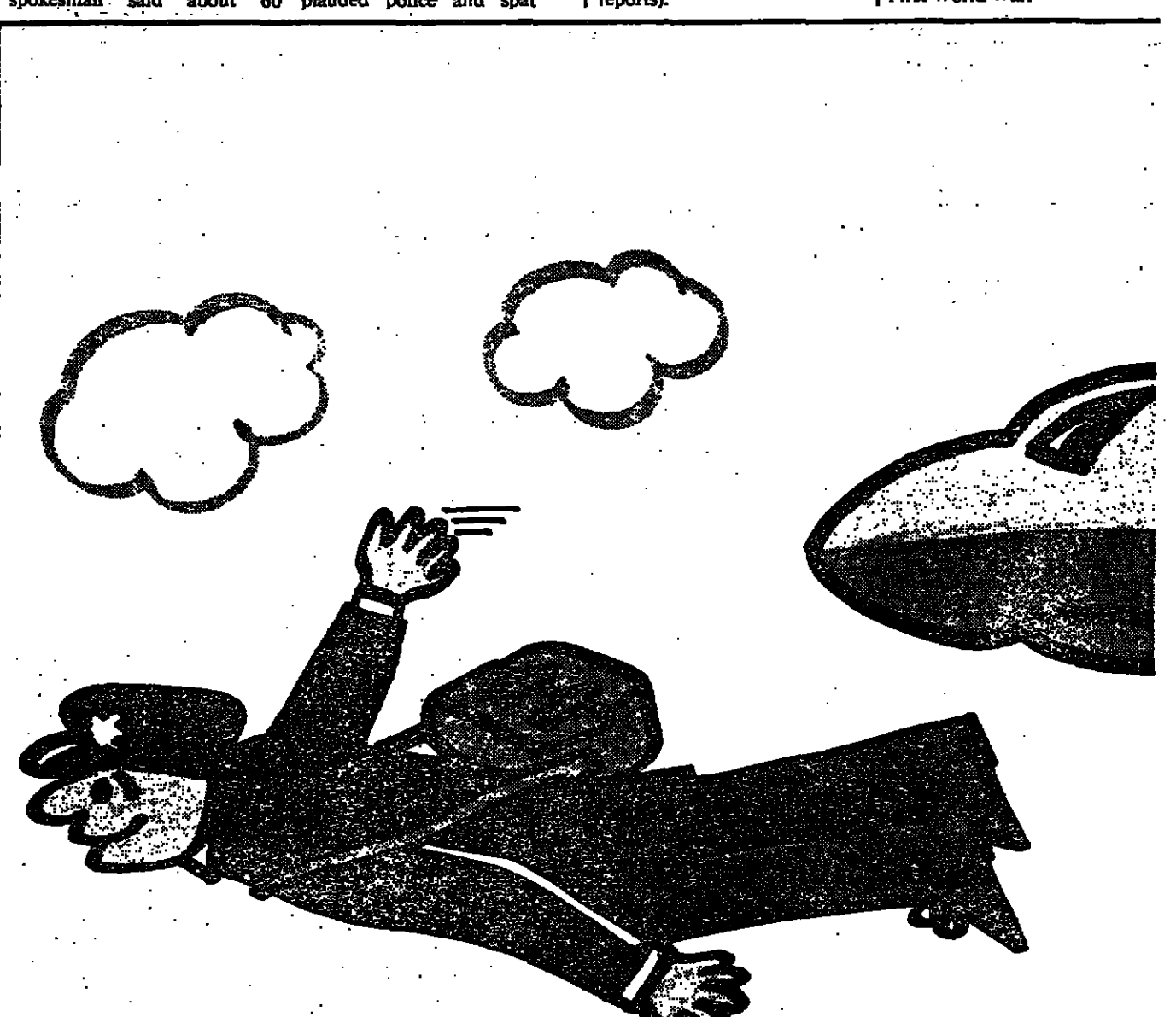
The bomb, at the Hahn air base 75 miles from here, caused

damage estimated by police at Dm200,000 (£50,000). No one was injured.

It exploded a few hours before the start of the Ramstein international air show, attended by an estimated half a million people.

A West German police spokesman said about 60 demonstrators opposing the planned deployment of US medium-range nuclear missiles in West Germany were arrested.

Heavy security prevented a planned blockade of the runway and five protesters were arrested when they tried to break through. Spectators applauded police and spat



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SPECTRUM

Next month, doctors are meeting in London to form the British Holistic Medical Association, indicating a growing acceptance of the alternative medicine. This first of three articles looks at what the Prince of Wales recently described to the BMA as "those ancient and unconscious forces so vital to our unity with nature"

If the mind is fit, the body will cure itself

By Ruth West and Brian Inglis

If you ring up to make an appointment with Dr Goodenough (not his real name: some of his colleagues are touchy about advertising) you will be told that there is a six weeks' waiting list. Nothing strange about that if he were a Harley Street nabob; but he is a GP in private practice, and his practice is homeopathy.

"I did orthodox medicine for twenty years - I used to think that all homeopaths were potty." Why did he switch? "It all rather happened. I suppose at first I just wanted more answers to my quiver." When he first introduced homeopathy the reaction was immediate: "I lost, in turn, two partners and two-thirds of my patients." That was in 1969: eight years later he was in such demand that he had to retire from the NHS.

Now he is getting patients from other GPs. "Some say it's codswallop, but some tell patients, 'At least it's harmless: why not?' And some ask him: 'Look, can you have a go with this one?'"

Ian Hutchinson tells a similar story from a different angle. He is president of the British Chiropractors Association. When he began to practise thirteen years ago, few members of the public had even heard of chiropractic and patients only came to him as a last resort. No longer...

"The changes over the past ten years? People come to see me much sooner with their problems. The age group I'm treating on the whole is much younger. And I'm treating more acute conditions - of manual workers, for example."

The attitude of doctors, too, has changed. "Quite a few doctors refer patients to me: I have lectured to GP training groups; at my practice over the past few years we've held a number of meetings with an orthopaedic surgeon." He would like to see chiropractic recognized, as it is in the US, New Zealand and other countries.

Recognized or not, the practitioners of the once derided "fringe medicine" are in demand. Twenty years ago they were down and, to all appearances, out, swept aside by the triumphant march of medical science. Now, a combination of disillusionment with orthodox medicine, in particular with its drug-dependence, and the recognition that alternative therapies have something valuable to offer, has transformed their prospects.

The major breakthrough came ten years ago, with the favourable report of three eminent US doctors on acupuncture.

Ruth West is director and Brian Inglis a trustee of the KJB Foundation (formerly the KJB Foundation for the Poor), set up to raise support and funds for research into, among other things, alternative medicine. Their *Alternative Health Guide* is published by Michael Joseph (£12.50).

ture, following a visit to China. Only a few years earlier acupuncture had been the chief butt of medical jokes: in *The Doctors' Dilemmas* the leading US pharmacologist Louis Lasagna had dismissed it, in a chapter of "Superstition and Ignorance", as a "lunacy". Vindication of the long-derided, millennia-old Chinese therapy was significant, not merely because it staked a fresh claim for the recognition of alternative medicine (as it now came to be called) as an alternative and a serious one, to conventional western medicine. It also threatened to undermine western medicine's foundations by casting doubt on the hallowed principles of physiology.

The existence of "meridians" or "canals", as shown on acupuncture charts, had excited Lasagna's particular derision: they were shown, he jeered, only because "hitting imaginary canals is not a job to be left to the imagination". But if acupuncture works, can it be that the canals (into which needles are placed, according to the diagnosis) are real, but not material? If so, conventional physiology is missing a dimension. Alternatively, it may be that the imagination is involved in this, as in other therapies. Inole Coué, with his "every day, in every way, I get better and better" incantation, preached in the 1920s that the imagination can exercise a powerful, and sometimes decisive, influence over the body; but Coué had been laughed at.

The discovery in the mid-1970s of the endorphins, chemical messengers which apparently transmit the imagination's instructions to the body and are capable of relieving pain as if they were opiates, has raised the possibility that acupuncture, and perhaps other therapies, work psychosomatically, the body obeying the mind through a broadcasting system emanating from the brain, whose transmission system is only gradually coming to be understood.

The implications of this discovery have still hardly penetrated orthodox thinking. It effectively demolishes what generations of medical students have been taught as dogma: that the imagination can neither cause nor cure organic disease. And it is largely because of the profession's ability to come to terms with this body-blow that alternative medicine is now enjoying such an unprecedented boom.

"Organic disease is what we say we cure, but don't", the maverick F. G. Crookshank wrote half a century ago. "Functional disease is what the quacks cure and we wish we could." The great advantage the "quacks" of today have - purveyors of alternative therapies, in all their bewildering variety - is that the majority of today's disorders are functional, and consequently the

imagination of the patient can play a considerable, even a decisive part, in promoting cure.

Doctors until recently have tended to downgrade the imagination's role to "placebo" - useful to discover whether new drugs work by comparing their results with the effect of the placebos, or dummy pills, in controlled trials, but otherwise of no clinical importance.

Now a few, notably Professor Herbert Benson of Harvard, have realized how important the placebo and the placebo effect can be in restoring health. For the most part, doctors have yet to agree. But to alternative therapists, the patients' imagination is their most powerful ally. They know that hope and expectation on the patient's part, reinforced by rapport with the therapist, can work wonders.

That patients are satisfied with what they get from alternative medicine has been confirmed by a report in the *Consumers' Association* magazine, *Which?* In its sample, "nine out of ten members said they would use again the form of alternative medicine they'd tried most recently. They didn't all claim to have been cured, but only 10 per cent felt the treatment had been useless".

By contrast, although the reputation of medicine in the abstract remains high, there have been many indications of patients' growing dissatisfaction

with their GPs. For example, according to surveys carried out by Taylor Nelson, "nearly a quarter of the United Kingdom population say that they have less faith in doctors than they used to"; and the number of those who "trust the doctor to know what I need" fell from 52 per cent in 1978 to 39 per cent in 1980.

This is partly because the hope, nurtured in the 1950s, that Ehrlich's dream of "magic bullets" - drugs capable of curing all known diseases - has faded. Not merely have the wonder drugs proved a sad disappointment, but their toll of adverse reactions is growing more disturbing.

Perhaps the most damning indictment of indiscriminate reliance on drugs has come from a World Health Organization trial, the importance of which has yet to be recognized.

Clofibrate was marketed twenty years ago to lower blood cholesterol levels and thereby afford protection from heart attacks. It did what it said: those who took it in the controlled tests had a lower mortality from heart attacks than those who did not. But eventually, it was found that the mortality rate from all causes was 25% higher among those who had taken the drug during the trials, than among those who had not.

As Professor M. F. Oliver, president of the British Cardiac Society, has warned, this has very disturbing implications for patients currently on

"preventive" drug treatment. If altering the body's chemistry has long term ill-effects, then tens of thousands of patients currently being given drugs for hypertension may be worse off.

By contrast, alternative therapies, are relatively safe. Scare stories of wrong diagnoses and faulty treatment abound in the medical profession, but the concomitant - malpractice suits - are very rarely reported, as they certainly would be if they occurred. (There have in fact been no High Court actions, which suggests that any cases there have been must have been minor.)

The recent burgeoning of alternative therapies, and their proliferation into spin-offs through the introduction of new techniques, makes it unsafe to generalize about them: but on some points almost all are now agreed. The main difference between alternative and conventional medicine, they claim, is that alternative therapists do not treat the symptoms, they treat the person.

There are exceptions, of course, therapists who offer cures for, say, smoking, without attempting to assess the patient's background. But in theory at least the assumption is that most symptoms, from backache to 'flu, can have a powerful psychosocial component which may be the main cause. Digging in the garden, or "the bug that's going round", are not the cause, but the precipitant of the symptoms.

Most alternative therapists, too, emphasize the importance of listening to patients. The first consultation usually lasts an hour or more; this not only helps to establish rapport, but also makes it easier to have a working appointments system (when *Which?* turned its attention to the subject of what its subscribers think about doctors, its survey reported this month that by far the commonest complaints are "long waits at surgery").

The fact that alternative therapists spend more time talking with their patients also makes for what many of them claim is another vital difference between them and the average GP. They can promote prevention by showing their patients how to change from the habit of pill-taking to fitness by diet and exercise.

Alternative medicine, then, can be holistic-related to the person's heredity, personality, environment and lifestyle in a way which orthodox medicine, cannot because of its materialist bias and because specialization is leading to ever greater concentration on symptoms rather than people. It is this which is giving alternative therapies, whatever their intrinsic merits and alternative therapists, who like doctors can be good, bad or indifferent, their current advantage.

moreover...
Miles Kingston

A5PIC on my plate

All odd and personal car numbers have up to now been bought and sold on the open market, often for a lot of money, but the licensing department at Swansea is suddenly to keep the good ones back and auction them itself. This means, if you think about it, that the Tories have now nationalized something in the private sector, thus shattering their party manifesto, and I expect fresh elections to be called soon. Meanwhile, the lads at Swansea are already hard at work...

(A room in Wales. Four motoring civil servants are sitting around a table. They are called Sump, Pump, Bump and Dump. These are not their real names. They got them out of a computer.)

Sump: This committee has not met for a very long while. It used to be called, if you remember, the Committee for Eliminating Rude Three-Letter Words From British Car Numbers. Well, we eliminated them all.

Pump: Except for GAY.

Sump: Well, we didn't know then that it was going to be a rude word.

Bump: It isn't.

Sump: Ah yes, Bump, I forgot you were... anyway, we now meet again to make a list of combinations of words and numbers that might make money for us.

Sump: I Don't understand.

Pump: Thing is, Dump, that if you have a car with the number RR 1, you and I wouldn't pay much for it, but the head of Rolls-Royce would pay a lot.

Bump: How much would Ray Reardon pay?

Pump: You're getting the idea. An Auction!

Sump: Shut up, Dump. Now, the problem is that most of the good numbers have gone. We are now issuing plates beginning with A, followed by numbers then letters.

The scope isn't vast. But I've already made a short list of possibilities. For instance, A 10 LI.

Bump: What's that?

Sump: Run together, it reads A10LI.

Sump: What's that?

Sump: It's a kind of Mayonnaise, dummkopf. We'll have Delia Smith and Katie Stewart fighting to the death for that one, and then set it to Heinz. I've also got a thousand for that. And remembering that 'S' can look very like 'SA's', I think there'll be a market for A 551SI.

Bump: ASSIS? Who'd buy that? The RSPCA?

Sump: Francis Pym, I reckon. And I thought some rich surgeon would go a bundle on A O R T A.

Bump: You can't have a nought by itself.

Sump: Oh no? We're making the rules now.

Bump: Then there's... What else is there?

Sump: A I T C H.

Sump: What's that, Dump?

Sump: AITCH. Someone whose name begins with "H" might like that.

Sump: Get lost, Dump.

Sump: Or A S W A D.

Sump: You mean, a wad of fivers?

Sump: No, no ASWAD. It's a reggae group. They'd pay a fortune.

Bump: He's right. Good old Dump.

Sump: And now that we're in the permissive age, maybe we can bring back some of those good old three-letter words!

Sump: I am not having cars beginning A55.

Sump: I was thinking of BUM, actually.

Sump: And I am not having Mrs Whitehouse accusing us of corrupting public morals.

Bump: How about A 51 ANS? ASIANE!

Sump: How about A 51 MOV? ASIMOV!

Bump: And what about for the Queen - A 5 COT - ASCOT!

Sump: Just a moment. Who's Rump?

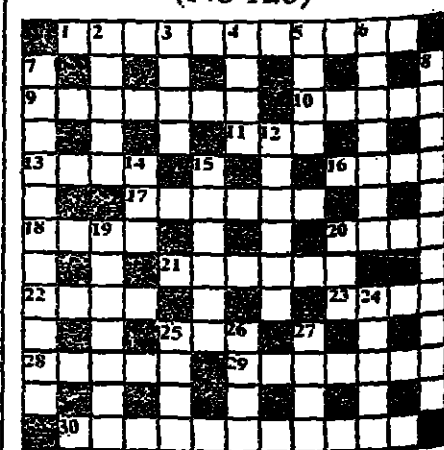
Bump: Where did that last speech come from?

Sump: Me. I just changed my name. I didn't like Dump.

Sump: This meeting is getting out of hand. It's adjourned.

(More reports as and when.)

CONCISE CROSSWORD (No 120)



- ACROSS
- 1 Dome shaped container (7,4)
 - 9 Person in authority (7)
 - 10 Second payment (5)
 - 11 Illuminated (3)
 - 13 Cooking fat (4)
 - 16 Financial institution (4)
 - 17 Eye inflammation (6)
 - 18 Lacking colour (4)
 - 20 Four-winged insect (4)
 - 21 Incising compound (6)
 - 22 Errand boy (4)
 - 23 Cup-shaped instrument (4)
 - 25 Glue (3)
 - 26 Communion table (5)
 - 29 Greed (7)
 - 30 Father's mother (11)
- DOWN
- 2 Long-term prisoner (5)
 - 3 Religious fiction (4)
 - 4 Nobleman (4)
 - 5 Sassy (4)
 - 6 Harpsichord (7)
 - 7 Crossing monitor (8,3)
 - 8 Wager keeper (5,6)
 - 12 Ice spike (6)
 - 14 Expiry (3)
 - 15 Surroundings (6)
 - 19 Stage (7)
 - 20 Rabbid (3)
 - 24 Banish (5)
 - 25 Smile (4)
 - 27 Mutilate (4)
 - 28 Walk (4)

SOLUTION TO No 119
ACROSS: 1 Canapes 5 Eldo 8 Nij 9 Anodyne
10 Erato 11 Beih 12 Ratchet 14 Parallelogram
16 Avenger 18 Aims 21 Attic 22 Zonated 23 Abo
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MODERN TIMES



A sideways look at the British way of life

Dark tales are told by the older street musicians of a buskers' "elephant's graveyard" somewhere beyond Ruislip on the Piccadilly-line. The disappearing denim-clad Bob Dylan lookalikes and one-man bands take a single ticket to this ghostly station of no return, where the times are never changing and they can play out the last bars of "Subterranean Homesick Blues" just one more time. All archaeologists will find in years to come is the odd battered mouth organ and scores of unfilled-in tax forms.

It's sad to see them go from the dusty Orphean caverns of Leicester Square Tube station or Green Park, still picking out the old tunes on a painted 12-string guitar after depressing whole generations

of commuters with endless Leonard Cohen songs. Mr Tambourine Man is a threatened species, nearly extinct. As the constables often told him, it's all over now baby, blue.

Who is responsible for ridding us of interminable nasal droning which so aptly complemented many a dreadful Southern Region rail journey? A revolution is afoot. The Tube-way armies of Dylans have been zapped by musicians using amplified sound systems, just as the old men in military uniform with a swearing parrot on their back were displaced from the cinema queues by the folk singers. Now, with a "ghetto blaster" tape machine, a classical saxophonist can fit an entire symphony orchestra at the bottom of the Northern Line escalator.

The new wave of busker fears not so much arrest as power failure or that the sound levels are wrong on his backing tape. He may even have an accountant, something that would have the one-man band throwing himself underneath the wheels of the next train to Wimbledon out of anti-establishment fear and loathing. The jaded musical palate of the city gent now expects electronic wizardry and B Dylan has had to change

too, or take the long and winding road to the buskers' graveyard.

That cobbled traffic-free precinct in Covent Garden is now a haven for buskers, who are all licensed; also something of an anathema to their footloose forbears. Today, backed by a trusty ghetto blaster "busking" can encompass anything from ballet to an impromptu Punjabi mime troupe. The strolling player is back with a vengeance and quite often a council grant. There is no more squabbling for pitches.

Such squabbling marred my own single busking adventure. At school three of us set out with guitar, tambourine and a large bass drum borrowed from the cadet corps, a sacred military relic of many wars.

"Ere I wouldn't stand there, that's the Mighty Quinn's prith," said a fat lady. Unfortunately one of us grinned when a smartly dressed dwarf announced that he was the Mighty Quinn, a juggler. He demolished the drum with his size-threes and in a flurry of waist-high punches we were lucky to escape with our other instruments intact.

It was also difficult explaining to the corps sergeant-major how a drum that survived the

Somme had met its end. Then busking was a jungle; now it is polite and ordered and there are even rotas in the Tube stations, written on the Underground maps. It is all so well mannered. The beards (security men) of the Garden keep an almost loving eye on their artists, making sure that their bottlers (cash collectors) are not robbed and there are no unseemly arguments. The place has an aura of Victorian good fellowship and the strolling players often sport Equity cards.

With greater possibilities of sound and space the exotic acts, dancers, acrobats, patter-men and fire-eaters from Paris, street acts of another age, have a new lease on life, while the folk singers are the ones out of time.

Mr Plod, the traditional enemy of busking, seems to take a more fatherly view of the amplified and classical acts. The denim brigade with songs of peace and protest were obviously hooligans. Now possession of an amplifier shows thrift, good sense and a respect for property — though the courts recently drew the line at an Irishman who charmed an expensive python from his hat with a penny whistle. Times have not changed enough for live reptile musical acts yet.

Paul Pickering

Penny Perrick

Strictly for the birds (and bees)

To the list headed "Careers I hope my daughter never chooses", including pop star's mistress, secretary and restaurant owner, all of them occupations where troubles observably outweigh joys, I have reluctantly added sex educator. This is after reading Carol Lee's book, *The Career Position*, to be published on September 29 by Writers and Readers.

Here is a story of dogged and often desperate heroism on the part of the author who, as a Family Planning Association-trained sex educator, travels from school to school trying to make sense of the sexual confusion which is as much a part of the growing child's life as pimples and blushing. As Carol Lee slinks in through the school gate, she knows that she is "less welcome than a pest control officer". In her eight years of teaching, most of the schools' heads and deputy heads have refused to meet her and, at one school, the biology mistress, alarmed at her pupils' ignorance, smuggled in her heroine under false pretences, supposedly to talk about "Personal Hygiene".

It is not only head teachers who make a sex educator's life as perilous as that of a missionary fallen among lip-smacking cannibals. Carol Lee has to face outraged parents and, often, disruptive behaviour from the children themselves who, to cover up their real feelings of embarrassment and anxiety, resort to juicy discussion of video nasties, snickering and fighting.

Against these dicey odds, Carol Lee usually succeeds in getting her students to examine concepts like love, affection and responsibility, as well as giving them advice on contraception and sexual consequences, about which most of her students share age-old mistaken ideas, such as "you never get caught the first time".

Possibly, the daughters of Mrs Victoria Gillick and other parents who deplore outside intervention in their children's sexual lives have received such careful and sensitive instruction at home that they will never walk into a relationship they can't handle. If so, they are part of a tiny minority, for nearly all the 1,500 schoolchildren Carol Lee taught had not learnt anything about sex from their parents; not even how a baby is born. When Miss Lee asked them to put on an impromptu sketch showing how parents might react to a daughter's accidental pregnancy, they acted out a domestic drama.

The main objection to sex education in schools is that, enlightened and sympathetically instructed by the likes of Miss Lee, pupils may wish to practise what has been preached. This has not been a danger inherent in the school curriculum so far, since even the most easily influenced children do not appear to spend their spare time probing further into the effects of the Roman occupation or reeling off lists of French verbs.

Carol Lee is convinced that, in the short term, sex education actually discourages sexual intercourse.

People as dedicated and full of cockeyed optimism as Carol Lee, prepared for little money and less thanks to do a job others shirk, deserve our gratitude rather than our disapproval. I wish her luck but I hope that my daughter's working life is an altogether cushier number.

There is a suggestion in the *New Statesman* that babies should be fed on avocado pear blended with a little wholemeal bread, rather than on over-sweetened commercial baby foods. Recalling the years I spent spooning various types of goo into babies' mouths, I am dubious of this scheme. I have never once met a baby willing to embark on a culinary adventure; the tiniest spoonful of anything the least exotic ends up spat on the high chair tray and is followed by howls of outrage. Surely a few tins of unwholesome baby food cannot do any permanent harm to a baby reared on the *New Statesman* who, as soon as it is out of nappies will be into home-made quiche, farmhouses in the Dorset and other trappings of the good life. I think it should stick out for tinned apricot custard while it can.

Flavia Corkscrew is on holiday for two weeks.

HAMBURG HIGHLANDER

Jouhan von Ussler, 26 (below)

People think it strange when they find out I am a German from Hamburg and you can have a lot of trouble with the very rationalist Scots. Then I pretend to be Irish. I can't on a pretty good Irish accent because I worked as a bagpipe maker in Ireland, which was interesting except he never paid me. The tartan is of the Queen's Own Highlanders and my act did not go down too well in Germany. The German folk scene has been dead since Adolf Hitler. So I decided to come over here and did to feel embarrassed about caring the kilt. What ondon did not need was another person playing ob Dylan songs on a 12-string guitar and I tried

that in Germany. The kilt is showbiz of a sort and people like having their picture taken with you especially at the Tower of London. I learnt the pipes when I was doing my community service as a conscientious objector in Germany. You have to do that if you don't want to fight. My family do not approve at all. They still have the German attitude that what one needs in life is a proper vocation. They are very aristocratic and puritan about things like that. I am learning to repair musical instruments at the London College of Furniture but that is more of a hobby. I could not hope to make money out of that. As it is this pays my bills.



PUNK AND JUDY

"Professor" Tony Pabbe, 25 (above)

You can say I'm a punk and Judy man. It's the oldest form of busking and I like it because Punk is an anarchist. I made all my own puppets and learned the trade from a man in Brighton. Really I am an actor and got into this five years ago because I hated being out of work. I was educated at Sharnbury and after my A levels went to Loughborough Theatre. But the street is more immediate. You have got to hold their attention or they will just walk away. It is part of being a showman. My mother's a civil servant and my dad's a doctor and they are both pleased with what I do, now they

understand it. People are very kind in this line of work and will teach you their skills. I was taught magic tricks by a lady called Patty I shared a flat with and taught her to escape from a straitjacket. I do a bit of fire-eating and stunt work on the side. There is no such thing as plagiarism because everything has been done before and my act is not that different from the one seen by Samuel Pepys. The trouble I have at the moment is getting a reliable female bottle. The girls I train always fall in love with nice young men. But I cannot complain with a bigger audience every day than any West End theatre. Not bad, eh?



BRAZILIAN BUSKER

Ricardo Reuter Ruas, 23 (above)

For two months now I have been playing at Green Park. I am in England to study English and am Brazilian from Belo Horizonte, where I am reading to be a vet. In Brazil we do not have buskers. A cleaning job I do in the evenings pays my tuition fees but this pays for my beers and theatres and things like that. It's good for me because I am meeting people and learning more English. People often find it funny when I sing in Portuguese because they cannot recognize the language. I use a little amplifier and I learnt the classical guitar in Brazil. Sometimes I do bossa nova or folk songs and if a friend comes with me we

do samba with an instrument called a pandeiro. It's so good and cheers people up. Even the police here are so kind, not like in Brazil. But there is great competition among buskers for the places to play. They are friendly most of the time but sometimes things become nasty and I almost comes to a fight. I have played in Switzerland, Holland and Germany and Heidelberg is the most friendly place. After another two months I go home. I was married in Brazil. My marriage is finished but I have a little daughter and would like to take her an English setter dog when I return. I still plan to be a vet but I like playing and they say Bob Marley started this.

SAX APPEAL

Tina Grace, 22, Nuria Nogue, 23 (below)

People think it funny when I start my act by coming out of a dustbin. I am all folded up inside and am charmed out by the saxophone like a snake out of a basket. Nuria from Spain and does not speak English and we met when I was working over there. It does make a difference being a woman, especially being a contortionist, as men heckle or come up afterwards. I try to make fun of the act's sensuality. My parents approve of what I am doing as my dad was in Music Hall. A Hungarian acrobat who teaches in Brixton started me off five years ago and since then I have been to Spain and Latin America, where I joined a circus in São

Paulo. It was fantastic. That is why the act is very circus-based but with a certain cabaret Fellini feel to things. I like the grotesque side of the circus so does Nuria, who had been playing sax for one year but studied the flute for eight years. We both like Spain; the audiences are much warmer. When we were there I had a monkey called Zecchino who was part of the act. I really did love him but he would jump on the audience and he was not potty trained. At the moment we live in Vauxhall and are going to Poland for a theatre festival next month. My ambition is to study circus in Moscow. Do you think Ken Livingstone could help?



FIDDLERS ON THE HOOF

Felicity Willis, 20, Janet Mathews, 21 (above)

I have been studying the violin for 10 years and we thought we would have a bash at busking. We are both at Trinity College of Music and it really helps financially. Where we play in Charing Cross is now very much a classical music area and we have both been astonished how easy it is. Eventually I want to get into an orchestra; I don't know which one but this is good practice playing in front of people. Many students don't do it because they are scared of the fines. Luckily we have not been caught yet. The police are all very nice and I think they turn a blind eye.

Classics seem to be taking over especially in this station. We do not need an amplifier down here in the tunnels but we are going to get one for outside. Strange things have happened. We had a drunk who fell in one of the violin cases and broke it. Someone gave us a bottle of wine and we had a flasher who came back four times. Then someone thought we must be prostitutes despite the violins and offered £20 for Felicity. Another person promised to send us to Tokyo for three months playing in a palm-court orchestra. But it's worth it. In three and a half hours on our best day we made £60.

AMPLIFIED ACROBATS

Charlie Pabbe, 32, Terry Cole, 24 (right)

I teach dance here and I've been 23 years in Iran working with an acrobatic group; they did juggling as well and we used to go on TV and in the nightclubs. But then in 1979 came the Ayatollah who did not like acrobatics or juggling or nightclubs or theatre. What is more we once put on a show for the Shah's birthday party and I had the personal letter of thanks in my house. The Ayatollah's men found it. I had to flee to political asylum. I teach the new acrobatic dancing at the Pincapple. But I love the atmosphere here and like seeing what the people feel about my show. I sometimes do a Charlie Chaplin act as a change.

We use a small stereo unit to help create the atmosphere. I am the patter-merchant of the act and if I was really good we would not need music. But it's nice to have it in the background. You have to get a link between the audience and the show. I'm from Walthamstow but I learned acrobatics with a circus in Italy and a troupe called the Medinas. My ambition was always to work in the circus and my parents are very proud of me. Before I started doing acrobatics I was working in a furniture factory making three-piece suits. Everyone is licensed to work here and there is no trouble. I run 10 miles a day and Charlie is teaching me new tricks.



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A PLAN BY ANY OTHER NAME

On Thursday newspaper front pages carried an advertisement which spoke winningly of modestly-priced housing in limestone villages on the banks of the River Nene, mere minutes from executive desks. This, at the public expense, was Peterborough Development Corporation boosting itself. Nothing controversial in that. The antecedents of Peterborough New Town are in the great plans for London produced by Sir Patrick Abercrombie in 1943-44 to set out a policy of attracting people and jobs from the capital to new and expanded towns many miles outside its metropolitan green belt.

Abercrombie's containment of the capital worked: London's 1939 boundaries are still effectively in place. Population and employment leap-frogged the green belt in ordered fashion to such planned, prosperous and cohesive towns as Northampton, Basildon and Basingstoke - and in unorderly fashion to contribute to Thames Valley, North Kent and Essex sprawl: the affirmation of a pattern of commuting into London which is viable only on the payment of a large slice of that annual £600m public subsidy which keeps both British Rail in the South East and London Transport afloat.

Not many weeks ago the papers and commercial broadcasters carried the (publicly financed) notices placed by the London Docklands Development Corporation. These poured scorn on greenfield locations distant from the capital. They urged with the conventional wisdom of the era after the oil crisis the opening-up of the unknown but proximate territory beyond the West India Dock Road, and the re-colonization of the Isle of Dogs and the Beckton Marshes. The strategy, endorsed again by the Department of the Environment, is to

fill in the waste land within London. The Department of the Environment last week advanced a third policy. A draft circular urges on district councils (which decide requests for planning permission) liberality towards house-builders on the fringes of green belt land. The Government seems now to be welcoming development not only within the urban core of London but on those prized acres of Kent, Surrey, Essex and Hertfordshire.

Of course the importance of the circular itself should not be exaggerated. It bears no executive force. Of itself it signals no radical departure from the Abercrombie or the 1947 system, that apparatus of constraints on development set in place by the Town and Country Planning Act. At worst it is an advance warning of how the Environment Department may view appeals by builders.

Until now the Government could be easily convicted of sending confusing signals to developers and planners alike. Mr Michael Heseltine came to office in 1979 firing (verbally) with animosity towards the town and country planning system in general and constraints on house-builders in particular. Much bluffing and puffing ensued. But when it came to hard cases and, much more important, revision of the structure plans of the home counties, his bark was worse than his bite.

But now the locomotive effect of a booming construction industry is too cheering a prospect for ministers who see few other ways out of the economic doldrums. Mr Patrick Jenkin has already drafted a circular to councils asking them to increase the supply of land for house building. Now it seems there is an official recipe for nibbling at the green belts around London and the other metropolitan areas, the contents of which - we hope for Mr Jenkin's sake - he

has communicated to the MPs for Chingford and Barnet and Surrey whose constituents will be most affected.

There is a case for revision of green belt boundaries: considerable tracts of the land are neither green (as used for agriculture or accessible open space) nor much of a worthwhile girdle. The fact of green belt designation has been too often used by the home counties as a mere blocking device in an effort to redirect developments elsewhere and keep up local property values. But shooting holes in the green curtains around London and the other city regions is justified only if there is some dramatic (or, breathe the word softly) plan in the background. A conspectus of the entire south-east region might allow Mr Jenkin wisely to judge that development in Sevenoaks is justified for the better preservation of attractive lanes in Buckinghamshire. For that Mr Jenkin needs a plan and all he has is the congeries of county plans and the remnants of 1944.

Since the culling of the quangos in 1979-80 killed the last planning organization covering the south east, there is no single body to provide a regional view; the authority responsible for London's strategic planning, the Greater London Council, is shortly to die as well. Where does Mr Jenkin go, beyond his civil servants with their conflicting departmental responsibilities, for an assessment of the commercial effects of the M25's completion - when pressure on green belt land for retailing will become intense?

That there exists no current plan for London's physical future is worrying if it means competing demands on land will be settled ad hoc and with regard only to parochial circumstance. There is apparently no appreciation in Whitehall of the need for a wide review of town and country planning for the urban regions and the capital.

PREVENTING ANOTHER MASSACRE

The redeployment of Israeli forces in Lebanon is now clearly imminent. Work has begun on fortification of what is to be the new front line, along the Awali river, and logistics and support units are already being pulled back from the existing lines. In addition, Israeli forces have begun closing down the bases and barracks of the Lebanese Phalangists in the area south of the Awali.

The political implications of these moves can be variously assessed. The Lebanese government does not like them - officially (and no doubt sincerely) because it fears the new Israeli line will be more permanent than the old, but also because it has serious doubts about its own ability to enforce order. Let alone law, in the territory from which Israel is to withdraw, particularly the Chouf mountains.

In favour of the move, Israel herself and (more hesitantly) the United States are arguing that the withdrawal should not be seen as a final partition of Lebanon but as a step towards implementation of the Israeli-Lebanese agreement of May 17, under which all Israeli forces are to be withdrawn from Lebanon. President Reagan has even tried to convince himself that the sight of Israel "starting to move" will

generate greater pressure on Syria to do likewise. In fact, to judge by Mr McFarlane's reception in Damascus yesterday, the effect will if anything be the opposite.

The bitter truth is that events in Lebanon have reached a stalemate in which the country is likely to remain partitioned and violence, in most parts of it, is likely to continue. In addition to the various intra-Lebanese conflicts, there is already considerable armed resistance to Israeli occupation in the south, and it is likely that similar resistance to Syrian occupation will now develop in the north. Yesterday's explosion in Baalbek could perhaps be an early example of it. If so, the Syrians can be relied on to react with even greater brutality than the Israelis against the local population, which is already caught in the crossfire between rival Palestinian forces in the Bekaa, and between allies and opponents of Syria in the northern city of Tripoli.

All this bloodshed results from such an inextricable mixture of domestic and foreign forces that it is hard to say what degree of responsibility the international community bears for it or (which amounts to the same thing) what if anything the rest of the world can do to stop it. In the short term at least the best one can

hope for is to mitigate some of the worst effects and to prevent some of the worst outrages.

A classic case of a foreseeable and preventable outrage was last year's massacre at Sabra-Chatila, after the over-precipitate withdrawal of the multinational force which had supervised the evacuation of PLO forces from Beirut. President Reagan rightly recognized at the time that America's word was thereby dishonoured, since Mr Habib, through Lebanese intermediaries, had assured the PLO both that Israel would not occupy West Beirut and that Palestinian civilians would be protected.

Since then Phalangists and other right-wing Lebanese groups have continued to harass, victim and on occasion assassinate Palestinian civilians in southern Lebanon. The Israelis, with varying assiduity, have held this activity in check but there is a real danger that their withdrawal to the Awali will be followed by a new massacre, since some five to seven thousand Palestinians, mainly women and children, are still living in the area to the north. Unfortunately neither the will nor the ability of the Lebanese army to prevent this can be taken for granted. The multinational force must be ready to move.

HOME TRUTHS FOR GENERAL JARUZELSKI

The cosmetic lifting of martial law has done little to make the Jaruzelski regime more acceptable to the Polish people. Underground leaders of the banned trade union movement Solidarity have declared their intention of continuing the struggle for civil rights; they dismiss the repeal of martial law as an attempt to mislead the public and inveigle the West into lifting sanctions. A leaflet signed by Zbigniew Bujak and four other fugitive Solidarity leaders calls for a two-hour boycott of public transport in Polish cities on August 31 to mark the anniversary of the 1980 Gdansk agreement between Solidarity and the Government.

General Jaruzelski will doubtless take counter-measures - even if he can think of nothing better than giving party and government officials time off to ride on the buses - but the regime remains in the weak position of responding with repressive measures to the actions of the population and seems quite unable to offer positive leadership at times of crisis. The fate of the party commission appointed two years ago to examine the causes of political strife is highly instructive.

Headed by Professor Hieronim Kubiak, a man of relatively liberal views, the commission submitted a report blaming the recurrent crisis in Polish life on

bad government rather than subversion by "Western espionage agencies" as is claimed in the official media. Professor Kubiak was dismissed from his post as Party Secretary for Cultural Affairs and recently expressed doubt as to whether the report could ever be published in full by the party-controlled media. It condemns the centralized system of authority for initiating a "tendency to react with brute force to the protests of the working class", and reveals that, despite later claims to the contrary, General Jaruzelski did not oppose the use of troops to suppress the 1970 demonstrations.

Having examined the major crises of the past, the commission accused the central leadership of incompetence, lack of understanding and of paying no more than lip service to the institution of socialist democracy. Empty propaganda about achievements had irritated the population and "had a detrimental effect on the intellectually inadequate leadership, who chose to use manipulation rather than strategy as a way forward".

The report states that the bureaucracy became a self-generating clique with an intense aversion for any reforms that might lead to replacement or loss of privileges. Important posts were filled with party members selected by a process of personal connexions that paid little atten-

tion to competence or moral fibre. "The people who joined the party were without ideological commitment but had an ambition to climb the ladder of privilege." The chasm between rulers and ruled was deepened.

The suppression of the Kubiak report follows inevitably from the fact that its main criticisms are still relevant not only in Poland but also in the USSR and other communist states. A major point is that the absence of any mechanism for democratically changing top leadership leads to "autocratic practices" by which power remains firmly in the hands of the party leader. When top party and government posts are held simultaneously by one person "incompetence cumulates at twice the rate". It was the incorrect policy of party and government leaders, not external circumstances, which turned difficulties into crisis in the past, and will cause clashes between people and regime in future years also.

The Kubiak report is only one of the many documents which make the latest issue of the British journal *Survey* indispensable reading for those who wish to understand the situation in Poland today. Not until materials such as these can be openly published and discussed in Warsaw can there be hope for any genuine reform of the economic and social structure.

Questions on tougher prison regime

From Mr Martin Wright

Sir, The Conservative Party conference may be tempted to echo demands for "tougher" prisons since hanging has been decisively rejected. Such demands should be resisted, not from misguided sympathy for criminals, but for reasons of justice and prudence.

The problem of dealing with high-security prisoners, however, will remain. Either the 200 to 300 of them must be dispersed among the 2,400 top security prison places, which imposes unnecessary (and therefore unfair) restrictions on the low-risk prisoners who fill the remaining places; or they must be concentrated in one or two small units where many would be far from their families, facilities would be limited, and if they fell foul of staff or other inmates, there would be nowhere to move them to, as the Advisory Council on the Penal System rightly pointed out.

The women measures in Durham prison, incidentally, combines claustrophobic security and cramped conditions for both high and low-security women prisoners.

If concentration prisons were introduced it should not be before the Prison Department had introduced better means of mediating minor disputes and adequate redress for major ones, including unrestricted access to lawyers, MPs, and independent doctors.

Secure, secret, punitive institutions are prone to abuse. Paradoxically, the longer the prison sentence, the better the physical and disciplinary conditions must be if prisoners are not to become like the time bomb which illustrates Peter Evans's article (August 2).

Repressive measures in Durham are a cynical degradation as who inflict them, provide ammunition for subversives, and provide other prisoners to joining protests. Many of these problems would be reduced if, instead of trying to reduce punishments, we looked for ways of requiring offenders to make amends. Yours sincerely MARTIN WRIGHT, 107 Palace Road, SW2.

Brush with the law

From Mr John Hadfield

Sir, How often one hears people say: "Nowadays it isn't safe to walk the streets of London after dark." May I quote an example?

One of my relations, a quiet young man, on leave from a teaching assignment in the Sudan, met some former colleagues in North London one Friday, and spent a convivial evening with them. About midnight, he was walking alone towards his parents' home in Hampstead. He was aware that he had too much to drink, but was walking in a straight line, neither singing or shouting, nor breaking up the surrounding property. He had not spoken to anyone since he had left his friends.

A police car came alongside and he was asked to accompany the police to the station. He asked why. Whereupon the police threw him to the ground and handcuffed him, tightly and painfully behind his back (the wheels on his wrists were still visible four days later). Whilst in this position a policeman demanded that he admit he had been driving a car. This he denied, as he had not driven a car for two years.

He was then taken to the police station and charged with being drunk and disorderly. He admitted that he had had too much to drink, but protested that in no way had he been disorderly. Asked to read and sign a statement put before him he asked for his spectacles to be given back to him, as he couldn't read without them. The policeman, in charge said: "That's your attitude, is it?" held on to the spectacles, and pushed the young man into a cell for the night.

He appeared before the Bench on the following Monday morning.

Future of ILEA

From Mr L. J. Norcross

Sir, Ronald Butt's suggestion (feature, July 21) that the Government should consider the option of direct elections as a solution to the problem of what to do about the ILEA, following the abolition of the GLC, is one which might well command widespread support.

It would meet the wishes of many teachers, parents and others who would like to see the preservation of a unitary authority (and there are countless educational arguments for not devolving responsibility to the boroughs), while presenting a real opportunity for removing education from the arena of doctrinaire party political contention.

Like law and order, education is an issue about which there is a fair measure of consensus (among parents, at least, if not among educationalists). Direct elections

From Professor J. E. Thomas

Sir, Peter Evans's report (August 2) of Mr Jonathan Uzzell's dissertation is of more than passing interest. In it we are reminded of the role of Mr Leo Abse in the formulation of the recommendation of the Radcliffe report of 1968 that category A prisoners should be dispersed.

I pointed out to the Cambridge Cropwood conference in 1976 that Mr Abse had given us a vital clue, in his autobiography, to the mystery as to why the dispersal policy was implemented in the face of opposition from almost everyone, including governors and the Prison Officers' Association. From the implementation of this policy, has come riot and brutality as well as gratuitous restriction on non-category A prisoners who are located in dispersal prisons.

In our book on the Hull prison riot of 1976, R. Pooley and I explored the relationship of this policy to the riot. We also discussed the relationship of Mr Abse and the formulation of the policy.

Mr Abse's account is at least frank. He was, he wrote, "totally prejudiced" and his embarkation on a diversionary tactic was "cynically decided". Indeed, and this "prejudice", and a decision in advance of any inquiry which ignored the experience of staff and the wellbeing of prisoners, has left the "prison service" in a sorry state. The revelation of such cynicism in policymakers at least makes policy-making intelligible. It also illustrates again upon what weak foundations policy may rest.

Many will hope Peter Evans is right: that the dispersal policy is at least to be seriously challenged.

I am your obedient servant,

J. E. THOMAS, University of Nottingham, Department of Adult Education, 14-21 Shakespeare Street, Nottingham, August 3.

when the only evidence offered was in written form; stating he had been suspected of being involved in a "motoring incident, and as the police approached him he was seen to threaten a passing motorist with clenched fist" (He was trying to thumb a lift). When being arrested he was alleged to have used "bad language" (He had merely expostulated rather vehemently).

On legal advice the young man pleaded "Guilty", because if he had contested the case it would have had to be adjourned and he was due to return to his job in Africa in a fortnight. He was fined £25.

Until this occurred I had read with scepticism the frequent press reports of "police harassment". Now I am not so sure. Thank goodness Bertie Wooster and his festive fellow-members of the Drones Club are not living at this hour. Yours faithfully, JOHN HADFIELD, 2 Quay Street, Woodbridge, Suffolk.

From Captain E. J. Blackwood

Sir, In these days of much criticism of the police may I show the other side of the coin?

A short time ago my father-in-law died suddenly on holiday in Cornwall whilst we were also on holiday in the north of Scotland. This resulted in at least three police forces having to make separate inquiries and visits and throughout all of them displayed the utmost patience, sympathy and assistance which I should be glad to place on record.

Yours, EDWARD BLACKWOOD, 1A Balmoral Road, Anover, Hampshire, August 4.

could provide the means by which this consensus could be given expression. If required to vote on that one issue, I have little doubt that the electorate of inner London would (regardless of general party loyalty or affiliation) decisively reject politically extreme and doctrinaire policies.

An ILEA created by borough nomination (in effect, by nomination from party caucuses) is unlikely to be very different in composition from the existing authority, and would not be directly accountable to anyone. I am not alone in hoping that the Government will give the matter very serious consideration before issuing its White Paper.

Yours faithfully, LAWRENCE NORCROSS, Headmaster, Highbury Grove School, Highbury New Park, N5, July 22.

Detained in Uganda

From Mrs Antonia Hunt

Sir, In his article on Uganda (July 18) Charles Harrison mentions that President Obote is "widely accused of being...indifferent when his political opponents are harassed or even murdered."

This passing reference hardly gives readers an inkling of the scale of the illegal detentions of unarmed civilians practised by the Ugandan army (Amnesty International has estimated that hundreds of civilians are detained in military custody at any one time), nor of the reports of their subsequent torture and, frequently, "disappearance" in military custody, nor of the alleged deliberate killing of many of the victims.

Among the many prisoners who have "disappeared" are Beatrice Kyomugisha, a university lecturer, arrested by soldiers at her university residence in September, 1981, reportedly detained and tortured in

Kireka military barracks and never seen since; and Dan Etale, executive committee member of the Uganda Red Cross, who was arrested with two others by soldiers on October 7, 1982, taken to Nile Mansions Interrogation Centre, Kampala, whence he and the two others "disappeared".

On July 8 Amnesty International issued an urgent appeal on behalf of a lawyer, Pius Kaware, who was arrested by the military police in April, 1983, in the magistrates' court, where he was conducting his case. He was reportedly tortured in detention and is currently said to be held in Mbuya military barracks, Kampala, although the authorities have not acknowledged his arrest and detention. Will he, too, "disappear"?

Yours faithfully, ANTONIA HUNT, Amnesty International, British Section, 5 Roberts Place, EC1.

LETTERS TO THE EDITOR

Modest proposals on work for all

From Mr Ronald W. Davis

Sir, I was pleased to see the recent letters in your columns (Messrs Hodgkinson and Bealmon, July 28, and Mr Eden-Green, August 3) showing that these gentlemen understand the real nature of the phenomenon we call unemployment.

It is obviously clear to them, as it is to me, that a completely new attitude to the work contribution required of each of us has now to be developed. I am not sure how this can be done and it would be presumptuous of me to think that I could solve the problem alone. However, one thing, I believe, is clear: we, as a society, can generate all the wealth we need, and more, with each of us working less and less as each day passes.

Equally clearly, we have not begun to produce a social system to take advantage of this state of affairs. The frequency of the use of the slogan, "putting the people back to work," shows the lack of appreciation of the situation, often by those who aspire to high office.

I submit that the proper philosophy must be that we create the wealth required in the most efficient way, using the least amount of all resources, including the time and effort of people. There has been, for many years, the principle talk of engineers and of many scientists.

There is nothing holy about being employed for 35 or 40 hours each week and yet many influential people seem to think that only this level of application to work is acceptable and proper. Applying this argument, about 85% of the active population are used to produce all the wealth required by everyone. The other 15% "dole" a pittance of that wealth while the 85% use their collective muscle to get an ever bigger share.

While those charged with managing our society, and those who aspire to do so, appear not to understand the situation, your previous correspondence all appreciate the problem and some offer solutions. To this end, and to attempt to publicise and identify the problem, the Chester and North Wales Chamber of Commerce are organising a conference in the autumn on the subject of "A future strategy for employment". It is hoped to have ministerial participation, together with authoritative spokesmen from both "sides" of industry.

While solutions are not likely to be easily found, with all the attendant problems of property

applying aptitudes and abilities and defining responsibility, the problem will not be resolved unless a start is made. This we are modestly hoping to do.

Yours faithfully,

R. W. DAVIS, Rosebank, Townfield Lane, Mollington, Chester.

From Mr John Chaloner

Sir, It is alarming that Mr Alan Eden-Green (August 3) advances the principle of shorter working hours and thus paid jobs for all, in view of his important work for the industry and Parliament. Trust, a body that implicitly views both the political and practical sides of such matters.

The clamor call for solving widespread unemployment by "divvying out" the available work in this way has already been heard from the trade union movement and will probably be heard increasingly loudly in time ahead because it appears, on first sight, attractive and reasonable.

Closer examination shows it fails to answer fundamental questions. What output will be achieved in the 20 hours proposed - the Japanese car production level or the UK output? Anyone involved in management of trade or industry will know that at all levels it is next to impossible to work out how two herdsmen can split milking the same cows, or two accountants can divide their duties. The imagination begins to boggle as one moves into the realms of police, hospitals, the press and education.

Would the country as a whole be prepared to accept 20-hour remuneration? That is the nub of the problem. In that we have all probably elevated our living standard expectations beyond our collective means. Beyond that lies the even more uncomfortable truth that, despite recent decades of equal-opportunity education, we have not enough skilled and talented people among whom we could divide the work of our frighteningly complex society in the manner proposed.

In China I saw 30 men and women hand-holding cabbage and said that in my country a tractor and weed spray would do the job in an hour. My hosts politely enquired: "And what would the 30 workers do then?"

Yours faithfully,

JOHN CHALONER, Dudds Farm, Cross-in-Hand, Heathfield, Sussex, August 4.

England and the success of Merdun vintage ciders must be due great measure to the excellent Bramley seedlings, Cox's, Vespers, Derbys, James Grieses and other apples grown in the South-east and developed from the experimental orchard at Teynham set in 1553 by Richard Harris, fruit to Henry VIII.

Yours faithfully,

IAN HOWIE, Chairman, Merrydown Wine plc, Horam Manor, Horam, Nr Heathfield, East Sussex.

From Mr N. J. Starling

Sir, There is no mystery in the fact that the English, despite inventing the steam locomotive, have never been great distillers of spirits. Since the potential of steam power was first realized (by a Scot) in 1764, the observation of a boiling kettle has always been with the great national drink - tea.

Yours faithfully,

N. J. STARLING, Queen's College, Oxford.

As the number of jobs being dealing in any one of these shares is reduced to no more than three, they operate a cartel on prices (more difficult to achieve on the bigger, more active shares where there is strong institutional pressure). In most cases they no longer hold more than a nominal amount in value of these shares on their books, so avoiding the risks which constitute the *raison d'être* of their existence.

So the jobbers will continue to take their cut (which can be over five per cent of the value of a transaction) as members of their own closed shop, and to provide a service no longer relevant, and potentially harmful, to those very businesses it has become fashionable to encourage.

Yours faithfully,

JONATHAN MERVIS, J. P. Mervis & Co, 2 John St, WC1.

Intimations of mortality

From Mrs Victoria Wakefield

Sir, Your correspondent, Mr Latham (July 26) no doubt the glass of fashion thanks to his wife, should take heart.

On the increasingly infrequent occasions on which I anxiously ask my husband, "How do I look?" he has been heard to mutter, "well, it depends what you are going as" as he returns to the financial pages of *The Times*.

Yours faithfully,

VICTORIA WAKEFIELD, Branden House, Branden, Alresford, Hampshire.

Spirit of invention

From Mr Ian Howie

Sir, As always your third leader last Saturday (July 29) made interesting and entertaining reading, but I would like to take issue with your final paragraph on the score of apple varieties.

May I make the point that the West Country does not have a total monopoly of cider making and that traditionally the South-east of England has made cider from a blend of cooking and dessert apples.

Soon after the invasion in 1066 the monks at Battle Abbey were making cider on a commercial basis. In 1341 the Nonne Rolls recorded 80 parishes in Sussex paying cider tithes or taxes. The seventeenth and eighteenth centuries saw a decline in cider making and in the late nineteenth century West Country production came back into prominence. It was not, however, until 1946 that a determined effort was made by two young amateur wine makers to revive Sussex as a serious producer of cider.

Using exclusively culinary and dessert apples from the South-east of England my company is now the fourth largest producer of cider in

Without honour

From Mr M. B. Lacey

Sir, No Wykehamist and no New College man in the *Literae Humaniores* first-class honours list! Only two from Winchester and five from New College in the Greats honours list altogether, and of these two females.

One trusts that a close seismological watch is being kept on the tomb of William of Wykeham. Yours faithfully, M. B. LACEY, 102A Philbeach Gardens, Earl's Court, S.W.5, August 3.

Surprise slip

From Mr Martyn Goff

Sir, Your correspondent, E. J. Craddock (August 1), writes that I was persuaded by *The Bookseller* to slip them the complete list of titles submitted for the 1982 Booker McConnell Prize.

Slip them? What an extraordinary suggestion, Sir! My press department was as surprised as myself by the appearance of that list in the organ of the book trade, and I wrote immediately to protest to the chairman of the Society of Moles (Arts Division) about it.

Yours faithfully, MARTYN GOFF, Director, National Book League, Book House, 45 East Hill, Wandsworth, SW18.

Relatively speaking

From Alec Bristow

Sir, Surely the word "whom" is now a pretentious archaism.

The ordinary person's reaction to it is expressed in the following reported telephone conversation:

"To whom am I speaking?"

"Sorry, wrong number. Nobody we know says whom."

Yours sincerely,

ALEC BRISTOW, The Grange, Thwaite, NE15c, Suffolk.

THE ARTS

Galleries: Michael Ratcliffe, in Vienna, reports on the flowering of exhibitions and entertainments to mark the tercentenary of the city besieged by the Turks

How devils became delights

It was almost as if the Viennese needed reminding. "Was ist der Turk?" demanded the Augustinian friar Abraham a Sancta Clara in the early 1680s, proceeding at once, as firebrands will, to provide the answer. The Turk was the very simulacrum of Antichrist, he was decadent fifth, ein verdammter Weltstürmer, the hound of hell unchained.

Before many months were up, the hound of hell had stormed through Hungary, taken the suburbs of Vienna and was mincing, with every sign of success, the walls below the Hofburg itself. The royal family had bolted; the citizens were eating donkey and cat; nothing but the relief of Vienna from the north stood between the all-conquering Ottoman army and Louis XIV, conspicuously inactive but watchful on the far side of the Rhine. Europe, in the time-honoured phrase, held its breath.

Vienna is celebrating the tercentenary of the traumatic second Turkish siege with a series of exhibitions and entertainments between now and the end of October. Asia begins not at the Landstrasse this summer but a mile or so away on the Karlsplatz, where the front of the Künstlerhaus is smothered in the enormous and jubilant replica of a Turkish campaign tent, and a large exhibition, *The Turks Before Vienna: Europe and the Decision on the Danube 1683*, flows across the road into the austere Historical Museum of Vienna, whose show it actually is.

Boots - sabres and banners, rifles, lanterns, tobacco-tins, travelling texts of the Koran, carpets, saddles, turbans and drums all left behind in the Turkish rout - has returned to Vienna from all over Europe, and been added to maps, letters, diaries and paintings from the rich collections and beyond. By far the most frightening objects on display belong not to the terrible Turk but to the uniforms of John Sobieski's Polish Hussars, loaned from the National Museum in Cracow; great feathered wings grow out of their backs like angels of death. In the simulated battle, and sole concession to bloodthirstiness at the heart of the show, the Turks are cannonically clobbered into the ground, like the Old Believers in Muscovy's *Khovanshchina*, by the brutal and triumphant imperative of baroque brass. Elsewhere, all is sobriety and circumspection.

Had Vienna fallen, perhaps The Most Christian King in Versailles would have delivered the decisive blow to Islam somewhere in Germany, with modest assistance from us; or perhaps he would have cooked up a deal with the Sultan beside which the



Turkish barber's shop, from Austria and the Ottomans

carve-up of "influence" at Yalta and Potsdam in our own time would have looked innocent indeed. Louis is represented in the Künstlerhaus by a boyish but resonant signature of the treaty concluding the Thirty Years War, and by a suitably mean portrait from the French national collections: the right arm is languidly extended in that conventional gesture of the time which becomes so familiar as you walk round this show.

Painters had a hard time of it honouring the great day with the human matter to hand. None of them attempted to make Sobieski or the Emperor Leopold I look other than they were: the humpen Sobieski, whose intervention was decisive, more like a steward than a king; Leopold, whose depressing face follows you round from room to room, like a dog who knows its day will never come, as the lipped quintessence of Habsburg inbreeding who would rather dress up and write operas than repel the Turk. (Two of his pieces, *Il lato dell'universo* and *Il figlio prodigo*, were given at the University Church in Vienna last month). In fact, the dog's day did

come: Leopold used with some brilliance the victory he had done so little to achieve, but he never strode past pattered jades of Asia into the Grand Vicer's tent in the manner depicted here.

He was still prudently way upstream when Poles, Lorrainers and Bavarians came bloodily down through the vineyards of the Wienerwald in the nick of time. After fierce fighting, the overpowered Turks fled - leaving behind them, according to Viennese lore, the coffee-house, the croissant, the horse-chestnut, the lilac, the Turkish bath and the military band, all marvellous embellishments of Austrian life to this day.

These benefits did not all arrive overnight, of course, but there has always been an ambivalence to Austria's relations with the mortal enemy in the East, which has tempered her required militancy with quizzical delight. Within twenty years of the siege, a Turkish delegation to Vienna were charmingly pictured playing games outside their lodgings in the city; in the 1740s a Turkish ball was held in the Winter Riding School and Maria Theresa was painted in Turkish dress. *Alla turca*, based on the firm thrust of the Janissary band, was a popular musical mode for more than half a century and "the magnanimous Turk" a stock figure of Rocco and early Romantic drama; fewer than a hundred years separate the hound of hell unchained from Mozart's Pasha Selim. *The Turks before Vienna* follows the popular "memory of 1683" through these and other themes as far as the *Jugendstil* version of the *Theresianum*: Alfred Roller's designs for *Der Rosenkavalier* in 1910.

We are a long way from 1683. Or are we? Like all large historical exhibitions, this one is subtly coloured by the context of today. We live in ecumenical times and expectations of *détente*. The Austrians, like the Swedes, strive for a creative non-alignment between the political systems which have replaced the seventeenth-century confrontation of Christianity and Islam, and this exhibition reflects these claims to cosmopolitanism with painstaking fairness.

Not only does it stress the military and diplomatic contributions of the Poles and Vatican respectively to the relief of Vienna, it expands on the splendours of Ottoman civilization that would have been less than apparent to the towns and villages of Hungary and Lower Austria in 1683. To this end, a selection of Turkish textiles have been loaned by the



Girls making music, from *The Turks Before Vienna*

Fitzwilliam Museum, Cambridge, which are among the loveliest things to be seen in Vienna this summer, but the approach pulls the show in too many directions at once, particularly when the iconography of the main event is limited, as here. One representation of the breakthrough on the Kahlenberg, after all, is much like another.

More successful, because smaller and more single-minded, is *Austria and the Ottomans* at the National Library, which takes the theme of ambivalence and intelligent curiosity and sticks to it. Through nearly four hundred books, documents, letters and prints, this exhibition follows the history of a fascination from the fall of Constantinople in 1453 to the

wartime alliance of 1915: magnificent calligraphy, journals of men in the field, scenes of Turkish life.

"On trouve encore" wrote a privy councillor from Lorraine in his diary of the campaign, "*des janissaires que les turcs va avaient laissé à la garde de 3 mil sacs de biscuits. On prit les biscuits et on distribua les biscuits à l'armée.*" And not before time, he added. One small incident in a very rough war, straightforwardly set down and read beneath the very summit of the Viennese Baroque which, but for the events of 1683, would never have flowered at all. Fischer von Erlach's incomparable library, bring the whole year to life. Three thousand sacks of biscuits and *Austria Triumphant!*

PUBLISHING
Law against justice

It was widely noticed the other day that Frederick Warne, Bedford Square publishers of Peter Rabbit and the other animals in Beatrix Potter's delicious menagerie, had been sold to S. Pearson & Son, owners of the *Financial Times* as well as of Penguin Books.

What was less commented upon was that, on the same day, Messrs Warne made an unqualified apology in court for publishing a libel of the 92-year-old Lieutenant-General Sir John Evedes. They also paid his expenses and are to make an appropriate contribution to a charity of the General's choosing. Messrs Warne had, in *Our Enemies the French* by the military historian Anthony Mookler, published a book which questioned General Evedes' judgment and ability in 1941 when he was a divisional commander during the dispute between Britain and the Vichy French in Syria. Mr Mookler also referred to him as "Mad Jack" and made other uncharitable comments.

Mr Mookler is a fairly swashbuckling character and he may or may not have checked whether General Evedes was still alive. Had he not been, no libel would have been perpetrated because the dead cannot be libelled. I would not want for a second to suggest that Mr Mookler and Messrs Warne, by publishing the book (and custom has it that, although they are involved, printers and booksellers are not usually indicted), did not commit a libel. The courts have adjudicated that they did. What I would submit is that for a statement of opinion to cease to be libellous, or potentially libellous, merely (yes, merely) because someone has had the misfortune of dying may make legal sense but none in terms of commonsense, let alone, objectivity and freedom of expression.

Had Mr Mookler's book been published after General Evedes' death, his family and friends clearly would have been upset by the untrue things said about him but, paradoxically, because they could in law do nothing about it, Mr Mookler's assessment would have been but one in the common pool of views about General Evedes. Another author could have refuted Mr Mookler with appropriate evidence and argument, both in the public prints and in a book. It is becoming easier all the

time for those who believe themselves, for whatever reason, to be depicted unfairly in books, or who would simply like to have a go, to reach for a writ and take action; and the libel laws being in the condition they are, for them to have a sporting chance of winning, and having a book withdrawn from circulation. If Mr Mookler, as a fairly well-known historian, is as legally he is, entitled to publish his views about someone dependent upon the accident of whether that person is alive or dead, the idea of free expression is surely brought into question.

Publishers at present are in a dilemma about libel, both because sending manuscripts to be read by experienced libel lawyers is increasingly expensive and because lawyers are being more tentative in advising. Novels are not even immune. One going the rounds of publishers is written by a respected and successful author who, until his recent divorce, was married to a figure in the public eye. The novel is about a divorce. The former husband declines to say whether, when the book is published, he will sue for libel, and publishers decline to sign it up without his assurance that he will not sue. It has been put to him that the figure he may (or may not) choose to identify with is so disreputable that it would serve him extremely ill to say "I believe that character is based on me, and I should like to know whether the law agrees".

Meanwhile, Faber & Faber here, and one or two publishers in New York, have extended their insurance policies to embrace any claims made against authors of the books they publish, as traditionally authors have no money when damages are awarded against them.

The libel laws should be amended so that, for instance, Mr Mookler would not be in good faith, as a responsible writer believing what he wrote to be true, that should be taken substantially into account. And people should not believe, a scrupulous novelist is impugn their public or private reputations. Novelists may not be the souls of discretion, and fiction is written for various reasons, but not simply to bring into disrepute former husbands, friends or even acquaintances.

E. J. Craddock

Promenade Concerts

Hippolyte et Aricie
Albert Hall/Radio 3

Rameau's glorious, long-prepared first opera arrived at the Proms on Saturday from Aix, where it was seen by Hilary Finch on this page. The chorus, orchestra and conductor remained the same, and so did many of the principals, but of course we were without the production by Pier-Luigi Pizzi and instead into the dread territory of the "semi-staged" performance. With singers in evening dress gesturing vaguely, the effect was of a game of charades entered upon without much zest. It was best to keep one's eyes on the libretto, generously provided with the programme, and let the music tell its own story.

This time, the problems of the Rameau style are enormous, involving, besides all the period conventions, a quite special fusion of luxurious sophistication with an almost naive directness. These are characters who belong in a highly formal world, bounded by rules that had lasted for three generations in French opera, and moved by the same emotions of noble self-sacrifice, love, jealousy and distress that had become ever more refined in their expression; and yet Rameau makes them speak afresh, with luminous candour. It is a fragile combination, requiring from

the singers both polished ornamentation and a palpable vulnerability.

John Aler and Rachel Yakar as the title couple achieved this excellently. So, too, did Suzanne Fournier in the terrible prettiness of Diana's music, the goddess careless of human beings in her pursuit of sport and *amour propre*. Jennifer Smith, who had been Diana in Aix, moved to the centre of the action as Phaedra, and brought to the role a stylishly cool yet penetrating characterization matched by beautifully poised singing. She discovered the emptiness of spirit in Rameau's Phaedra, and also, in her marvellous, quick-moving scene with Hippolyte, the nervousness. There was also a new Theseus in Ulrik Cold, a towering figure who could not save the lame second act but became splendid later in the opera, allowing a natural voice to sound through the embellishments of the vocal music.

Splendid support came from others, including Jules Bastin as three paternal divinities and Jean-Claude Orléans displaying a light, light tenor in various small parts. The Monteverdi Choir fielded a small, lively and exact team, and the English Baroque Soloists, under John Eliot Gardiner, showed they knew every yearning sigh in the score, every tripping dance step.

Paul Griffiths

BBCSO/Davies

Albert Hall/Radio 3

Before Friday night the American conductor Dennis Russell Davies had not appeared in front of an English audience. It was a bold and admirable decision for him to conduct a work by another musician who deserves more attention here than he gets, Hans Werner Henze.

His *Arioso*, written in 1963, is a deeply felt personal lament for a broken love affair, using lines by Tasso. It is extravagant, but only through its boldness in exposing an emotion that most of us have to endure in one form or another at some time.

In the composer's words, it is symphonic in nature, although the three sung movements that frame the two purely instrumental interludes are surely too intimate to encompass the scale such terminology implies. Rather, these are fragmented songs, with a soprano and a solo violinist depicting respectively the ignored and the errant of the couple in fragments of melodies. The mood ranges from the desolation of the opening "Qual riguardo o qual pinto", whose slowly descending and overlapping scales create an atmosphere of primal force, to the anger which

precedes the final yearning for death.

Isobel Buchanan sang with an aptly darkish voice, although there could have been more rapture and, in places, more accuracy in her reading. Ralph Holmes, the violinist, gave his part with an appropriate capriciousness, here tender, there wilful, while Mr Davies and the BBC Symphony Orchestra were meticulous and sensitive to the gloriously wrought textures.

Earlier, we had been given, in Schubert's "Unfinished" Symphony, a fair indication of Mr Davies' extraordinary ability. There, he chose spacious tempos and kept every detail in immaculate perspective, never allowing a tune to blossom too rapidly and never losing the effect of a wind chord or string tremolando through understatement, exaggeration or carelessness.

Such attention to detail equally benefited Stravinsky's *Rite of Spring*. Far from depicting an uncontrolled brutality, which it sometimes seems to do, the work was heard as a picture of a highly stylized ceremony. And how refreshing to hear all the violins semibreves at the end of Part I, not quavers at the host of other, usually submerged, details.

Stephen Pettitt

Theatre
Fascinating ambiguity of tinsel and real sterling

John, Paul, George, Ringo... and Bert
Young Vic

Up to now the repertoire of sure-fire touring-pocket-musical-for-kids revivals has consisted mainly of *Joseph, Joseph, Godspell*, and *Jesus Christ Superstar*. But *Willy Russell's* Beattie musical of 1974 now shows that it was overdue for revival and should have been there all the time. Its irony and bitterness ensure that it is not performance-proof, but David Toguri's production, however technically polished and fast, has not left its brains at the stage door.

It would benefit from a stronger ending than the present one, which leaves Bert in a passive role, barking back to the great days of the group he cheered and refusing to recognize what music has become. But the show's central idea is indestructible and would work even for a Marian audience not knowing one end of a guitar from the other.

Talent working itself up from nothing, achieving success which can barely be comprehended, finding itself at the mercy of the publicity that depends on that and watching everything senselessly crumbling away: that will go on happening in the age of the group, and it hardly needs the sight of a "plastic man" taking their place to make an audience feel the waste.

The four lads themselves are scarcely look-alikes, but they



Peter Capaldi (John) left, Martin Stone (Ringo), David Marrick (Paul), Wayne Jackman (George) and company

play and talk about together as if they had known each other all their lives. Maybe that is what comes of having a choreographer as director.

Paul (David Marrick) is stocky and Ringo (Martin Stone) is a resentful ferret with feeble sideburns, but they trace a strong, straight line from the hungry beginnings through hysteria at Epstein's first contract to mobbing crowds at American airports and final disintegration on a film set, as John (Peter Capaldi) and Yoko

snuggle under a quilt and Ringo mouths his lines while improbably clutching Yoko's skull. One of the destructive impacts of success, clearly, has had centrifugal force and exposed the individualities frustrated in any group forced into a common identity and identical suits put on like straitjackets.

Vicky Silva stars from the piano onstage left, accompanying herself as she soars gloriously through Beatles songs often chosen as an ironic comment on their downward

path. (How many Russell numbers were there in the original? Only one is left.)

Bert (Ben Stevens) is an anchor-man carrying little irony, he provides the framework as a Liverpool boy who knows them so well that when Wings are billed in a present-day theatre (well, assuming John is still here) he queues in the certainty that the group is back together. Instead, there is no concert and the punk boy (John Segal), whom he takes through

the whole flashback story, goes to see *Eff Off*, the latest rave, without him.

Voytek's set, flashing new corrugated iron on both the Young Vic's acting levels with a 30-degree tilted silver disc down front for the biggest on-stage triumphs and offstage dramas, really enjoys the space and preserves the ambiguity between tinsel and imperishable sterling.

Anthony Masters

Dance

focus to draw them back into the group.

Three good dancers borrowed from Ballet Rambert, Catherine Price, Ricky Maas and Hugh Craig, carry the main choreographic weight, while two other men, Stephen Goff and Gregory Nash, add a kind of ground bass and Gaby Agis imposes a keen individual style that complements Clark's own.

In Part II, also an ensemble work, Part of Bartok's Music for Strings, Percussion and Celesta provides an atmospheric break from the pop or electronic music used elsewhere, and the mood of the dances changes to match its threatening manner. Clark moves into a more prominent role as the victim of nightmare incidents.

After the interval, the stage is left entirely to Clark, a tough-looking young man in boots whom I imagine to be his video collaborator. Certain Wryn Evans, and three television sets on wheeled trolleys, complete with video machines. The idea of showing fragmented sections of one dance, from different

angles and out of synch, has possibilities, but with small screens in a large room it does not work. From the third row, I could just about follow it: what about those in the tenth row? Adding a live dancer dimly glimpsed in the darkness behind compounded the problem.

For Part IV, television (the evening's programme, plus shots of some flowers burning - there's a video, nasty for you) provided only a decor, while Clark performed a long, individual and fascinating solo, wearing a costume at first sexually ambivalent and finally specifically feminine when he changed into a tutu and wispy white rags. A packed house seemed nonplussed, but applauded the dancing.

John Percival

Scheherazade

Festival Hall

With full houses all week for

their Fokine triple bill, Festival Ballet are probably not too worried about their notices, but I think their revival of *Scheherazade* would have been more favourably reviewed all round if they had put out the second cast on the first night. Lucia Truglia and Ben van Cauwenbergh brought the old work to life in a way the opening cast had been unable to do.

Truglia was one of two Italian dancers I saw as Zobeide, the other being Renata Calderini, who made her debut on Saturday afternoon. Those two could hardly be more unlike in their interpretations, but they share a wholehearted quality and they are unafraid to let the audience see that the baller is about sexual desire.

Truglia makes the point in the opening passage by the way she fondles the ankle of the Shah, at whose feet she is lying. Once her master is away and her favourite slave out of his cell, she knows how to give the corny old routines the shock

value that first made the ballet's reputation back in 1910.

Whereas Truglia plays Zobeide as a hot-blooded woman, Calderini makes her a little girl. That is not what the choreographer intended, but it does make sense: explaining the Shah's patronising fondness, her quick pique at the slightest neglect and the amazed delight with which she gazes at the Golden Slave just like a new toy.

Maurizio Bellezza, as her enthusiastic plaything, danced eagerly but began to lose stamina towards the end, and he does the eccentric steps better than the classical ones.

Van Cauwenbergh has become a powerful, robust dancer who complemented Truglia's performance effectively. Michael Pink brought an alert authority to Shah Sharyar, and the matinee trio of Odaliques actually managed to make their comic dance look convincing as harem entertainment.

John Percival

Television
Grimly authentic

Time was when the Mersey bid fair to become our own Swanee River. Along its banks the quaintly underprivileged gruffly survived with lugubrious humour, very resilience and a patois recognizably English but delightfully idiosyncratic. They even evolved their own music. For a time, after their discovery in the Sixties, they were lovable.

Conventional wisdom (ie television) has now relocated Merseyside on the Styr, in one of the less suburban circles of hell. The first episode of *One Summer* (Channel 4) plunged us into a cross between *The Boardwalk Empire* and *West Side Story*, where apathetic passers-by refuse aid to the mugged, juvenile gangs brandish knives and hot curries over disputed territory, and even the most sympathetic teachers are robbed by schoolboys whose smooth organization and impeccable teamwork mark them out as future candidates for the Queen's Award to Industry.

Billy is streetwise, contemptuous of school though dissatisfied with the aimless braggadocio of the gang ethos, adept at pliffing ciggies, holding up the habits of the local and scrambling out of the classroom window and over the wall when he decides he has had enough of school for one day. His home is depicted with a vehemence that initially lingers dangerously near Monty Python send-up. Bingo-obsessed Mum emerges from near-catastrophic trance to revile the family; Billy and sister exchange sibling badinage; unheeded television competes inexorably with baby's screams. An urban equivalent of *Cold Comfort Farm* would be like this.

But the producer, Keith Richardson, has an eye for the desperate toughness of rundown urban life grinding to a halt, as we know from *Harry's Game* and the director, Gordon Fleming, coaxes awesomely convincing performances from both the humans and the landscape of Liverpool itself. Grubby, dusty, stale, this is a sea of vandalized estates and demolition sites where bored and hopeless youth spoils for a fight or resorts to violence for sheer self-preservation.

Dave Morrissey's Billy, tactfully conveying the first stirrings of bovine sensitivity and inarticulate yearnings for something better, leads a frighteningly authentic cast. His flight to Wales in search of an idyllic memory will be hard put to it in the next four episodes, to live up to the grim promise of this powerful semi-documentary opening.

Martin Hoyle

Capitalization and week's change

ACCOUNT DAYS: Dealings Began, Aug 1. Dealings End, Aug 12. \$ Contango Day, Aug 15. Settlement Day, Aug 22.
\$ Forward bargains are permitted on two previous days.

(Current market price multiplied by the number of shares in issue for the stock quoted)

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THE WEEK AHEAD

First-half surge likely at Commercial Union

Commercial Union and General Accident said the insurance company reporting yesterday that it had made a profit in both report half year figures.

In the first quarter, Commercial Union made pre-tax profits of £1.4m. Brokers believe that the half year will show profits of between £2.5m and £30m, against £14.2m last time, while

Thursday, Shell Oil has already reported a net income of £390m (£63m for the second quarter), which net of minorities is worth about £60m to the group's results.

Brokers expect second quarter net profits to be a higher than the £508m reported for the first quarter despite the fact that

they did in the first three months, from beneficial currency movements. This would mean net income of about £1,003m, against £794m last time for the half year.

Ultramar is expected to produce a profit for the second year quarter of about £20m to leave half year profits virtually unchanged at about

A fire at a plant reduced planned gas deliveries to Japan during the second quarter and results could be affected by the company taking insurance receipts on this.

Thursday also sets half year results from TI Group, one of Britain's biggest engineering concerns.

May, the chairman said that the group would match the £3.8m profit that was made in the same period last year, after losses from British Aluminium which has since been sold were removed.

But the high street boom will have had a significant impact on the group's consumer products division and this is likely to

ECONOMIC VIEW

Optimism on M3 figure

rate increases in personal lines on which the group has been concentrating its expansion in America.

General Accident, which made profits of £8.9m in the first quarter, is expected to produce between £29m and £33m for the half year, against £6.2m in the same period last year. It has been hit in Britain by heavy car insurance claims, the first in which it is the largest insurer.

Therefore it has raised its car rates three times in the last year and this should be reflected increasingly in profits this year.

In the oil sector, Royal Dutch/Shell and Ultramar report second quarter figures on

Financial upheavals seem to occur in the summer when the people who habitually deal with them are on holiday, and this year has proved no exception.

The dollar is rampaging through the foreign exchange markets, notwithstanding massive central bank intervention, threatening interest rates and halting economic recovery in Britain and the rest of Europe.

The British monetary authorities are braced themselves as they have done in the past by letting the exchange rate take the strain. But too sharp a slide in sterling could panic the markets into pushing interest rates up.

Whether this happens may depend on two key sets of figures to be published tomorrow on money supply growth and central Government borrowing last month.

Exceptionally bad figures for June caused a virtual gulf strike and precipitated the Chancellor's £1,000m emergency cuts package a month ago.

The consensus among City analysts is that last month's figures will look significantly better.

sterling M3, the main money measure, is expected to rise by 0.5 to 1 per cent compared to 1.7 per cent in June, though this would still leave sterling M3 above target, while Government borrowing is predicted to

be less than half the £2,500m recorded in June.

But the details of the borrowing figures will be studied closely for clues on the course of Government spending, which has been running well above plans.

Last month's retail prices index, released on Friday, is likely to show inflation pushing above 4 per cent after its spring low of 3.7 per cent.

Other figures out this week include June retail sales and credit purchases, largely wholesale prices (today), last month's car production (tomorrow), and June industrial production and steel output (Friday).

Analysis admit to being at a loss when it comes to forecasting accurately the profits of Ocean Transport and Trading, which reports half year figures with Ellerman Lines, the private shipping group, on Tuesday. Ocean Transport has a heavy exposure to the bulk trades on the West African routes.

It also has a consistently loss-making carrier. Profits of about £5m, against £11.8m are forecast.

BOC is expected to report pretax profits up to £10m, lower than the £72m recorded for the first half of last year when it reports figures on Thursday.

Jeremy Warner

Investment and Finance

City Editor
Anthony Hilton

THE TIMES

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STOCK EXCHANGES

FT Index: 723.0
FT 100: 79.03
FT All Share: 450.87
Bargains: 20,026
Datastream USM Leaders
Index: 97.87
New York Dow Jones
Average: 1163.29
Tokyo Nikkei Dow Jones
Index: 848.58
Hong Kong Hang Seng
Index: 1,028.25
Amsterdam 148.1
Sydney AO Index: 688.8
Frankfurt Commerzbank
Index: 964.20
Brussels General Index: 132.04
Paris CAC Index: 131.4
Zurich SCA General: 294.9

CURRENCIES

LONDON
Sterling \$1.4855
Index 84.3
DM 3.9875
FF 12.00
Yen 362.50
Dollar
Index 129.0
DM 2.6810

NEW YORK
Sterling \$1.4870
INTERNATIONAL
ECU/£ 0.571595
SDRE/£ 0.708664

BOARD MEETINGS

TODAY - Interim: Anglo Mordic Holdings, Edinburgh Securities, Grosvenor Group, Manchester Ship Canal, Telford Group.
Finals: Alia Investment Trust, Euston Centre Properties, Murray Caledonian Investment Trust, Osprey Assets, Stock Conversion and Investment Trust.
TOMORROW - Interim: AARONSON, Adams and Gibson, Balfour Beatty, Commercial Union Assurance, Ellemann Lines, Fleming Mercantile, Heywood Williams Group W Jackson, Ocean Transport and Trading, Renown Incorporated, Rotaflex, and Smith and Nephew.
Finals: Crouch Group, Redmond Smith Line, United Packaging.
WEDNESDAY - Interim: Foreign and Colonial Investment Trust, RSC, RSC Securities, Security Services, Finance Cooper Industries, English Association Group, Ewart Northern, General Accident, Fire and Life Assurance, Parkfield Foundries, Property Security Investment Trust.
THURSDAY - Interim: BOC (Quarterly), IF and JH Brakke, Davies and Metcalfe, East Lancashire Paper Group, F and C Enterprise Trust, Ley's Foundries and Engineering, Plessey (Quarterly), Ratcliffe (Great Bridge), Royal Dutch Petroleum, "Shell" Transport and Trading, T1 Group, Ultramar, Williams Holdings.
Finals: London and Garmore Investment Trust, Star Computer Group.
FRIDAY - Interim: Alliance Trust, Aut and Wiborg, Prestige Group.
Finals: Owen and Robinson.

ANNUAL MEETINGS

TODAY - Brangwen Group, Great Eastern Hotel, Bishopsgate, EC2 (10.00); Leo Group, Glaziers' Hall, 9 Montague Close, SE1 (12.15).
TOMORROW - Charter Consolidated, Cadogan Suite, London International Press Centre, 76 Shoe Lane, EC4 (noon).
WEDNESDAY - Tar, Grosvener House Hotel, Park Lane, W1 (noon); Brown & Tavares, Kingsway West, Dundee (noon); Chubb & Son, Harewood Hotel, Knightbridge, SW1 (noon); Comfort Hotels International, Rainbow Suite, 99 Kensington High Street, (entrance Derby Street) W8 (10.30); Pethrow Holdings, Penarth Estate, Kingswinford, Walsall, CV3 (noon); Moorgate Mercantile Holdings, Charterhouse Accountants' Hall, Moorgate Place, EC2 (noon); Symonds Engineering, Room 100, Great Eastern Hotel, Liverpool Street, EC2 (11.30).
FRIDAY - Memory Computer, Berkeley Court Hotel, Lansdowne Road, Dublin 4 (11.00).

Japan wants cheaper coal

Japanese steel companies are to ask for significant reductions in the price of Australian and Canadian coking coal to be shipped under long-term contracts.

The aim will be to bring long-term prices more in line with price cuts won in this year's round of annual price negotiations when Australian shippers accepted cuts of about 20 per cent.

The Japanese are concerned over the wide gap between long-term contract prices, established while the market was near a peak, and the present market price for coal.

● Turkey's economy is likely to grow at only 2.9 per cent this year compared with 4.8 per cent which had been planned, according to the State Statistics Institute which estimates that inflation will be 30 per cent instead of the 20 per cent target. The trade deficit for the first five months of this year was \$1,500m (£1.013m).

● BRAZIL's inflation rate last month rose to 12.3 per cent from 12.3 per cent in June and 6.1 per cent in July last year.

Gatwick rail link is favourite for privatization experiment

Lawson may let state industry raise private cash for special projects

By Edward Townsend, Industrial Correspondent

The Treasury has reluctantly agreed after years of study and argument to consider an experiment in private fund-raising by the nationalized industries. The move could mark a shift away from the Government's rigid privatization programme.

Under pressure from employers and the trade unions, Mr Nigel Lawson, the Chancellor, has agreed that a voluntary fund-raising scheme could be set up for the Gatwick-based British Caledonian airline, which is in favour of a "dedicated" privatized, rapid rail service.

The airport's expansion and its growing popularity among travellers could make the rail

link highly profitable. It is argued, as well as provide some private finance for the upgrading of BR stations on the route and for improved rolling stock.

Other possibilities are combined heat and power schemes to be financed jointly by electricity boards, local councils and private capital, and new road schemes financed privately with the capital repaid by the state and raised from tolls or royalties from users.

Discussions between the Government and state industries over the raising of private finance have been overshadowed by the strong commitment of Mrs Thatcher's Administration to full privatization of the nationalized sector: ministers have been keen not to be deflected from this goal by talk of joint financing deals.

However, Mr Lawson came under strong pressure at last week's meeting of the National Economic Development Council, which he chairs, to acknowledge that hiving-off to the private sector may take many years in the case of some industries: in the meantime reliance on public funds could be reduced by raising funds on the private market.

The controversy over nationalized industries' access to private finance goes back at least to the autumn of 1981 when a working party was set up to investigate the issue. It included representatives of the CBI, TUC and the Nationalized Industries Chairman's Group (NICG) and was chaired by Sir William Rhye, then a permanent secretary at the Treasury and now permanent secretary at the Overseas Development Administration of the Foreign Office.

The working party's report said that funds raised in the private sector could be additional to money provided from the National Loans Fund and need not affect the public sector borrowing requirement because Government guarantees on borrowings could be eliminated.

Another criterion was that state industries should increase efficiency to pay for the extra interest they would incur on private money.

A progress report presented to last week's NEDC meeting by the Treasury and the NICG said that, despite a considerable amount of work, no private finance had been introduced into nationalized industries or other public sector investment.

£3,000m gas sell-off proposed

The Government is considering plans to raise £3,000m from the sale of shares in the British Gas Corporation. The move to sell a 51 per cent stake in the company by floating shares on the stock market would constitute the second largest privatization measure by the Government after the proposed sale of British Telecom.

Mr Peter Walker, the new Energy Secretary, and his fellow

ministers at the Department of Energy, have made a review of the privatization plans a priority since taking office. They are expected to present a range of options to the Cabinet in the autumn, including possible privatization of much of the electricity industry and perhaps even some mining operations.

Discussions over the sale of some parts of the gas corporation, including the gas show-

rooms and various on-shore and off-shore oilfields, have already reached an advanced stage.

But the Government has yet to decide whether to float a new public company to privatize the oil assets or sell them by auction. A decision on selling the gas showrooms separately has also been delayed by fears that consumer safety may be put at risk by a hurried sale of assets.

P&O chairmanship statement due today

By Andrew Cornelius

Lord Incheape, chairman of P & O, has promised to make a statement to shareholders today on the future of the company.

The move comes after growing speculation that he is about to be replaced as chairman by Mr Jeffrey Sterling, recently appointed as deputy chairman.

A decision to hand the chairmanship of P & O to Mr Sterling has been widely anticipated since Trafalgar House launched its £300m takeover for the P & O shipping and property group.

The appointment of Mr Sterling would heighten speculation that P & O is preparing to merge with Town & City Properties, the property group which he also chairs.

Mr Nigel Brookes, chairman of Trafalgar House, has previously indicated that he would not go ahead with the takeover bid if P & O were to merge with Town & City.

The Trafalgar House bid has already been delayed by the decision to refer the proposed takeover of P & O for investigation by the Monopolies Commission.

But the emergence of Mr Sterling as a candidate for the chairmanship of P & O is seen as a potentially greater threat to the takeover attempt.



Incheape: expected to step down

Arms group seeks to raise £43m

By Our Financial Staff

International Signal & Control Group, the US-based electronics weapons company which won a London stock market quotation last year, launches a big fund-raising exercise today.

The group hopes to raise £43m from an offer for sale by tender of 34.6 million new shares at a minimum tender price of 12.5p. At the same time, existing shareholders will be given one free share for each share already owned.

The funds will be used to pay for the acquisition of Marquardt, a California-based arms contractor which provides steering equipment for US military aircraft.

The offer for sale is the group's second big effort to raise funds since it gained a London listing. When it came to the market last year, it raised £30m, also by an offer for sale.

International Signal came to London rather than New York for its share quote because the American disclosure requirements would demand the release of the names of its customers.

N Sea oil price should hold

By Our Financial Staff

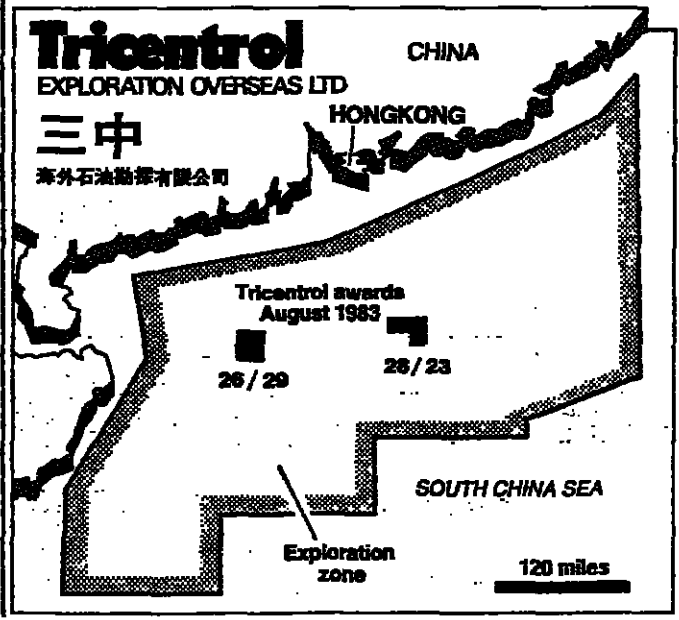
The price of North Sea oil is expected to remain steady until the late autumn despite spot market contracts which are being negotiated at up to \$1.30 above present contract levels.

Activity in the spot markets, where excess oil supplies are disposed and shortfalls in deliveries made up, has been increased by fears of production losses from the BP Forties field where accidental damage has closed one of the four production platforms.

Last week's price rise by the Soviet Union was 50 cents a barrel, less than expected and has confirmed industry speculation that a recent rise in heavy crude prices in particular cannot be sustained.

The British National Oil Corporation, the trading arm of the Government's North Sea oil interests, normally negotiates prices on a quarterly basis.

However, neither the oil companies operation in the North Sea, which sell to BNOC or its customers, have requested a renegotiation of the third-quarter pricing scheme.



Tricentrol joins in China oil exploration drive

By Our Energy Correspondent

Tricentrol, the British independent oil company, has followed BP into development of China's offshore oil industry in the South China Sea. The area has been described by oil industry analysts as a "new North Sea" and as the last possible offshore oil area.

The Chinese Government yesterday awarded the second drilling concession in the Pearl River Basin of South China Sea to a consortium headed by Occidental whose chairman Dr Arman Hammer officially signed the contract. Tricentrol has a 10 per cent share of the consortium.

The new contract takes the British company into the Far East for the first time. Its main centres of activity have so far been in the North Sea, America, Italy and onshore developments in Britain.

While BP can justifiably claim that the awarding of the first big contract to it is a reflection of the esteem in which the Chinese hold the company, Tricentrol's serious approach to the contract has impressed the Chinese energy department.

The other main partner in the Occidental-Tricentrol consortium is the French company Elf. It is the French who are likely to lead the next stage of exploration in the Chinese offshore area. Some US companies have been disappointed with preliminary exploration, but over the weekend the French group CFP announced a big oil find in the Weizhou area.

Craxi to outline Italy's recovery plan

From John Earle, Rome

Signor Bettino Craxi, Italy's first Socialist Prime Minister, will outline in Parliament tomorrow his new five-party coalition's plans for tackling the recession, which is persisting here more strongly than in other Western industrialized countries.

Priority will be given to cutting inflation, still about 16 per cent, but targeted by the government to fall to 10 per cent next year. It hopes to reduce the public sector borrowing requirement from 16 per cent of gross domestic product to 13.5 per cent, which means holding it at IL80,000bn (£34,000m), instead of allowing it to increase next year to IL120,000bn (£51,000m).

The Christian Democrat and Republican partners insist that wages should not increase in real terms for three years.

There is talk of trimming further the system of automatic wage indexation, under a social pact with the unions. Interest rates were expected to remain high.

Signor Craxi has agreed key economic ministries for coalition partners who stand for orthodox and austere policies.

Signor Giovanni Goria, the Christian Democrat, has remained at the Treasury. Signor Bruno Visentini, of the Republicans, is Finance Minister, and Signor Pietro Longo, of the Social Democrats, is Budget Minister.

ICGas Imperial Continental Gas Association

Salient points from the speech of Mr. F. E. Zollinger, Chairman, at the Annual General Meeting on 5th August 1983.

Profit and Dividend

The Group's attributable profit of £29.148 million for the year ended 31st March 1983 was fractionally above the previous year (£28.651 million) and constitutes the highest net profit ever achieved by ICGas. The proposed rate of dividend for the year is 10.5p per £1 stock unit (1982 9.2p per £1 stock unit). The final dividend of 7.5p is payable on 19th August 1983.

Belgian Gas and Electricity

The efforts of the Martens Government to restore Belgium's economic health have achieved some success. Unemployment remains high but would appear to have passed its peak, the rise in labour costs has been substantially moderated and the rate of inflation has of late declined appreciably.

The results of the Antwerpse Gasmaatschappij (AGM) remained satisfactory. The mild weather led to a lower volume of gas sales, but the modernisation of the distribution network undertaken in previous years reduced operating costs.

Economic conditions had a detrimental effect on UNERG whose sales of electricity and gas declined. Nevertheless, its profit showed a respectable advance, enabling UNERG to raise its dividend. This result was primarily achieved through concentrated efforts by the electricity sector to improve its productivity.

Petrofina

Petrofina's profit rose by 15%, demonstrating its ability to operate successfully during a period when the oil industry had to contend with exceptionally difficult conditions. Moreover, its record shows consistency.

Oil Operations

For Century Power and Light the year was one of steady progress. Final checking procedures on the Maureen production platform are being completed and, all being well, the field will come on stream within the next few weeks. Early in 1984, a daily output of 90,000 barrels is foreseen.

The Hewett gas field may be entering a new phase, the indications being that its productive life will be longer than previously expected. Similarly, the higher prices which the British Gas Corporation now concedes make the Audrey gas field potentially more interesting. Furthermore, recent market developments and especially the improved tax climate render the Audrey field financially more attractive.

Copies of the full Speech and Annual Report may be obtained from the Registrars, Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL.

City Editor's Comment

Options run out on interest rates

There comes a stage in the life of all governments when events seem to foreclose the options. British governments, in particular, have wrestled vainly with the economy in the post war period, and the last Conservative Administration was apparently luckier than many, if unemployment is excepted.

But there are some uncomfortable signs that luck may be running out already for Mrs Thatcher's second administration.

The problem is widely considered to be the dollar. In the absence of corrective action by the Federal Reserve Board the pressure on British interest rates should intensify. But the Prime Minister has a strong dislike of high interest rates.

It must be most galling after the success - albeit perhaps temporary - in cooling down inflation to see real interest rates at their present levels.

There is no question that higher rates will throttle the infant recovery.

But risky as the exchange rate course might be, the Government will probably be obliged to place much of the emphasis there.

Even if the next set of money figures is encouraging, the underlying growth remains faster than the authorities would like.

It is true that private and corporate loan demand could be cyclically weak over the next 12 months,

but in that case tighter restrictions on the money supply could also hinder recovery.

The temptation to let sterling bear the brunt may paradoxically be increased by the fact that inflation will rise again next year anyway. It may not matter much politically whether price rises are 7 or 8 per cent by the end of the next year.

In any event, the Government must accept that the bottom of the interest and inflation rate cycle has been passed. If base rates can be held to only 12 per cent by the end of next year the Government should not grumble.

In that event, ironically, real interest rates would be appreciably less than today. The shape of the yield curve would depend greatly on how the markets viewed inflation long term, but the higher short term nominal rates seem likely to bring gross domestic product growth down to below 2 per cent again.

The size of the Government's problem, therefore, is that even if it lets the pound - the least rigid variable - depreciate, interest rates will go up by enough to raise the spectre of the recovery petering out in 1985.

Inflation will rise faster, and hopes of reducing the growth rate of unemployment, let alone cutting the number of jobless absolutely, will be dashed. What will be the options then?

IN BRIEF

● Nigeria has reached agreement with the International Monetary Fund on a loan package to help it out of its economic crisis, the transport minister, Mr Umaru Dikko said yesterday. He said the IMF had not insisted on a devaluation.

● Rolls Royce is to supply two turbines, which will use flared gas to produce electricity in Rivers State, Nigeria, under an Export Credits Guarantee Department-insured loan of £19.5m.

Call for unitary tax to be abolished

By Michael Priest

President Reagan is under increasing pressure to decide within the next two or three months whether to abolish unitary taxation. It is possible, however, that Mr Reagan will prefer compromise legislation which would exempt foreign companies from the unitary taxes levied by American states.

Under unitary taxation, otherwise known as worldwide combined reporting, a government taxes a company within its jurisdiction on the percentage of its worldwide sales, payroll, assets or profits of the group of which that company is part.

The result can be much higher tax bills because companies normally pay tax only on their local profits, and that tax can be offset against tax payable in their country or state of origin.

Mr Reagan will be briefed on the issue by the Cabinet Council on Economic Affairs, which consists of representatives of the main departments of state and members of the President's staff.

The unitary tax dispute erupted again in June when the United States Supreme Court upheld the right of states to levy taxes by this method in *Container Corporation v. California*.

A clause in the double taxation treaty between Britain and the United States, which would have abolished unitary tax, was rejected by Congress in 1980.

The President now finds himself at the centre of a propaganda war being fought between foreign opponents of unitary taxation, including 60 British companies, and partisans of states rights.

The Council on Economic Affairs might decide that the US Solicitor General should file the *amicus curiae* brief in support of *Container Corporation's* petition for a re-hearing of the Supreme Court case.

Unitary taxation has become the latest trade issue to cause friction between the United States and its partners. Britain, the EEC, Japan and American multinationals have protested about the "extraterritoriality" implied.

The British Embassy in Washington is devoting considerable time and effort to building support on Capitol Hill. Mr Donald Reagan, the US Treasury Secretary, is believed to have told the British Ambassador to Washington a month ago that the Administration will consider legislation to reverse the Supreme Court finding.

City institutions in change - 1: The Bank of England by Peter Wilson-Smith and Graham Searjeant

Why the new Governor will have an increased authority



The more powerful Leigh-Pemberton: the cat keeping the City mice in their place

market have already seen this new muscular role at work. For the heretofore independent Stock Exchange, whose settlement with government last month owed something to Bank support on high, it is just beginning. For building societies, it is surely not far away.

Indeed, it may soon not be an exaggeration to see the Bank of England as an ever-so-British, nod-and-wink equivalent of America's bureaucratic and all-embracing Securities and Exchange Commission.

The Bank of England will not abandon its own ways. Traditionally, its power in the City has rested on what bank insiders call "customary authority".

The influence of this method rests partly on regular personal contact - not so easy in an era of worldwide dealing by hundreds of banks - and partly on the personal standing of the Governor, doubtless enhanced by the imperial, not to say imperious, manner of the late Lord Richardson.

In areas such as the discount market, where the Bank can hold the power of commercial life or death, this is quite sufficient. But others may question whether the emperor has clothes.

When the Bank arranged a marriage between Standard Chartered and the Royal Bank of Scotland, the Hongkong and

Shanghai Bank simply presented the market with a higher bid. The Monopolies Commission, in vetoing both bids, barely saved Lord Richardson's face.

The "customary authority" is still much used, usually with great effect. The appointment of Mr Ian Hay Davison earlier this year as chief executive of Lloyd's was a classic case of the Governor bending ears and exerting pressure, although he had no specific authority to do so.

Formally, insurance comes within the remit of the Department of Trade. But when Lord Richardson, exasperated by the succession of scandals at Lloyd's and their possible side-effects on the City's good name, let it be known that Lloyd's should appoint an outside chief executive, it happened within months. And it was the Governor, rather than Sir Peter Green, the Lloyd's chairman, who offered the job to Mr Hay Davison.

In the June issue of the Bank's *Quarterly Bulletin*, a review article on the Stock Exchange's Unlisted Securities Market said that the market's success might be tarnished by too many speculative issues. Since then, the Stock Exchange has suddenly started rejecting a significant proportion of would-be new entrants.

Lloyd's was in trouble and

the Stock Exchange caught at a sensitive moment. The balance of power, however, is sometimes different. When banking supervisor Mr Peter Cooke appeared to suggest that the clearing banks should be cautious with dividend rises, several bank chiefs - most notably the chairman of Barclays - made it publicly clear that this was a matter for them. The Bank hastily agreed, explaining that it had been misinterpreted.

The big pension funds and insurance companies are likewise no pushover. The Bank of England has for years been trying to chivy the big investing institutions as well as the clearing banks into taking a more responsible and constructive attitude towards financing British industry, whether by making longer-term commitments, aiding rescue plans or providing the seed corn for new-generation companies.

Perhaps the most remarkable feature of this exercise is that it should take place at all and that it should have been stepped up, most discreetly, during the phase of the present Government's hands-off attitude to industrial collapse. But the process of persuasion - first, through Lord Benson and, latterly, through Mr David Walker, one of the Bank's new directors, has been long and

painstaking. It has achieved only limited success.

Persuasion, let alone a nod of the head, is not always enough.

The Bank really learnt this lesson in 1973 when its traditional methods wholly failed to stem speculative lending and the subsequent collapse of many fringe and several large banks. This traumatic episode led to immediate reforms and much more systematic bank supervision. It also laid the ground for the far-reaching reorganization of the Bank pushed through in 1980 by Lord Richardson.

On the other side, it created an elite corps to handle policy, supervision and market operations. Here, Lord Richardson assembled a group of top class younger directors, including Mr Walker and Mr Anthony Leachman from outside and Mr Eddie George from within, and put them in charge of areas of bank activity under the Governor and his able deputy, Mr Christopher "Kit" McMahon.

The result is more like the compact headquarters of a multi-tentacled conglomerate than a partner bank which the Bank of England's formal building and liveried funkeys tend to suggest. The move surely prepared the Old Lady of Threadneedle Street both for more organized firefighting and for more systematic new roles.

The fringe bank experience

set off another change in this central City institution that was to be of great significance for the future. It led the Bank of England's supervisory powers to be enshrined in the 1979 Banking Act, adding formal statutory rule to "customary authority".

The Bank's surveillance role - with the consent and agreement of members - is built into the rules of life, the new financial futures market in whose development the Bank has always taken a close interest. The Lloyd's Act now gives the Bank the outwardly limited power to approve three lay members nominated by Lloyd's to its council, though the Bank's informal efforts have been far more important.

The Stock Exchange settlement to obviate restrictive practice litigation, gives the central bank a similar role plus a general duty to supervise reform and development.

The brokers and jobbers may soon find that the Bank is no more protector from outside interference. The Bank was less than happy with the way the Exchange adapted - or failed to adapt - to the modern world. It will probably use its influence to promote orderly change to make the Exchange more competitive in international securities trading, without any exaggerated regard for the Exchange's treasured split functions and monopolies.

Likewise, the building societies want a new act of parliament to extend their scope. This would provide an opportunity, unlikely to be missed, to bring these independent giants of saving, hitherto regulated as already societies within the Bank of England's formal orbit.

Finally, the Governor report on investor protection is likely to recommend much more comprehensive supervision of a range of activities from trusts and licensed dealing in securities to commodity trading. This would be through a combination of reformed protection of investment laws and self-regulation.

The Bank of England already plays a part. It keeps a watchful eye on commodity markets as well as exchange control monitoring. Further, a Bank Department of Trade joint review board was set up in 1976 to keep watch over the securities business. It led to the representative Council for the Securities Industry, in which the Bank dominates: it appoints chairman, deputy chairman and three lay members as well as organizing the appointment of a director-general who now does let up on the CSI and the Takeover Panel.

But Professor Gower thinks the CSI has been "wholly unsuccessful" and the bank is likely to take a still stronger role in a beefed-up organization.

So far, most notably in administering the Banking Act, the Governor's people have maintained much of their reputation for informality, exercising discretion and flexibility on asset ratios and lending limits. The Bank's flexibility is in stark contrast to the legalistic ways of the Securities and Exchange Commission. If Britain's financial houses have to be ruled by anyone, they would settle for the Bank of England.

One thing is for sure. As the central bank moves away from manipulating markets and bureaucratic controls, so it is growing more powerful in supervision and influence. It may not decide what happens in City markets, but it will determine more and more how it happens.

US jobs figures underline recovery

Washington (NYT) - President Reagan has described the drop in US unemployment rate to 9.3 per cent of the labour force reported at the weekend as "new and dramatic evidence of the ongoing economic recovery - great news for all Americans".

Speaking at a lunch for Hispanic leaders, he said: "I understand that many of you come from districts where the unemployment is not evenly distributed, according to a national survey. There are still pockets of great and heavy unemployment. So we are going to keep on with what we have been doing until we can eliminate those pockets as well."

Dr Martin S. Feldstein, chairman of the President's Council of Economic Advisers, described the weekend's figures for July as spectacular. The improvement in unemployment is far greater than almost all previous forecasts. The sharp rise in the July employment levels is a clear indication that economic activity in the third quarter has gotten off to a very strong start and the new figures appear to confirm that the rise in the gross national product in this quarter can be in the same range as the second quarter's sharp growth spurt. Dr Feldstein said.

"The Administration was particularly pleased that there was a July reduction in long-term unemployment that causes so much personal hardship", he added.

Mr Thomas P. O'Neill, the Speaker of the House of Representatives, issued a statement saying the news on unemployment was good news indeed. "But we still have a long way to go, with 10.6 million Americans out of work. The big question is not the initial strength of the current recovery, it is its duration", he said.

An official of the Bureau of Labour Statistics said a survey of business establishments showed another month of widespread job gains, particularly in construction, durable goods manufacturing, and in services.

The jobless rate for car workers in July was down to 9.1 per cent, falling from 24.9 per cent last November. There were also substantial increases in the number of jobs in the manufacture of transport equipment, machinery, and electrical equipment. The length of the average workweek in manufacturing was 40.3 hours in July. This was a gain of one and a half hours since this leading indicator reached its low last September, the bureau official said.

Hard times for Texas economy

Houston (NYT) - While America as a whole appears to be recovering from recession, the once-booming economy of Texas has become a glaring exception.

The unemployment rate for Texas grew to 8 per cent from 7.7 per cent last month, making it the only important industrial state to show an increase, according to the Federal Bureau of Labour Statistics.

The figure for Texas disguises enormous variations within the state. Unemployment is worst in the areas that depend on the depressed oil industry, such as Houston.

According to the Texas Employment Commission, unemployment in the Houston area reached 10.1 per cent in June, the highest since the state began compiling such figures.

Even worse off are border cities like Brownsville, Harlingen, Laredo and El Paso, whose economies have been reeling since the devaluation of the Mexican peso last year. Laredo unemployment was 27.2 per cent in June.

But unemployment in the Dallas-Fort Worth area, whose economy is diversified and based on banking, finance, electronics and military contracts, is just 5.7 per cent. Also doing well are Austin, with 4 per cent, and San Antonio, with 6.3 per cent.

The state has reported that the 11-county Dallas-Fort Worth area has overtaken Houston as the leading employment centre, with 1.69 million workers against Houston's 1.64 million.

Early of Texas have never been better, but the state's resources and, ironically, they find they are far too dependent on oil, given the worldwide slump.

Unemployment in Texas hit a peak of 9 per cent in March, then rose again last month. The south-west regional commissioner for the Bureau of Labour Statistics, Mr Bryan Richey, based in Dallas, said the increase was a temporary setback.

But Texas is better off than all nine other main industrial states except Massachusetts, whose unemployment rate was 5.9 per cent. Michigan remains the highest, with 12.1 per cent, while New York, with 8.5 per cent, and New Jersey, with an unchanged 8.4 per cent, are still slightly worse off than Texas.

U.S. \$150,000,000 CREDIT LYONNAIS

Floating Rate Notes Due 1995

In accordance with the conditions of the notes, notice is hereby given that for the six-month period 8th August 1983 to 8th February 1984 (184 days) the notes will carry an interest rate of 11 1/2% p.a. Relevant interest payments will be as follows:

Notes of U.S. \$10,000 - U.S. \$666.61 per coupon.

THE SANWA BANK LIMITED (LONDON BRANCH) Agent Bank

Barclays Bank International Limited and its subsidiaries Results for the six months ended 30 June 1983

The Directors of Barclays Bank International Limited report the following unaudited group results for the six months ended 30th June 1983.

	Half Year ended 30.6.83 £m	Half Year ended 30.6.82 £m	Half Year ended 30.6.82 £m
Group Profit	122.8	82.1	63.7
Add: Interest on long term loan to parent company	4.9	-	-
Less: Interest on Loan Capital	27.8	24.9	24.5
Profit before taxation	99.7	57.2	39.2
Taxation	39.9	35.8	9.2
Profit after taxation	59.8	21.4	30.0
Profit attributable to outside shareholders of subsidiaries	21.9	18.4	16.5
Profit attributable to the members of the Bank	37.9	3.0	13.5
Interim Dividend	-	-	0.1
Profit retained	37.9	3.0	13.4

NOTES:
1. The Bank is a wholly owned subsidiary of Barclays Bank PLC but has its own listed unsecured loan capital.
2. The accounting policies are as explained in note 1 on page 9 of the 1982 annual accounts.
3. Group profit includes share of profits of associated companies £20.8m (December 1982 £21.3m; June 1982 £17.5m).
4. In May 1983 a subsidiary raised US\$400m loan capital. The net proceeds were on-lent to Barclays Bank PLC on a subordinated basis.

Economist Roger Bootle looks at the currency markets

Anchoring exchange rate expectations

Like God and motherhood, stable exchange rates are now perceived as "a good thing", but unlike the other two, debate rages over how stability can be achieved.

Perhaps four years of monetarism should have prepared us for the answer now proffered by the unfettered free market brigade - it will all be right once inflation is tamed. This is the new post-Williamsburg consensus on exchange rates or in other words, the new excuse for doing nothing.

But even now it is difficult to swallow the attempt to bracket interest rates along with unemployment as something which governments can or should do nothing about.

There is no denying that inflation, in some sense or other, has been the proximate cause of many of our recent exchange rate difficulties. But across the world there is marked

concern that exchange rate movements have often not been justified by changes in the fundamentals - including inflation.

There is a feeling both that exchange rates have been excessively volatile and that key rates have been carried away from their long-run equilibrium levels for considerable periods of time.

Moreover, if you could abolish inflation overnight there would be other fundamental factors demanding assessment and a currency market response. Variations and discrepancies in the growth of real expenditure, irrespective of the rate of inflation, can have marked effects on the balance of payments, and hence on the exchange rate.

Similarly, competitiveness can shift because of domestic factors unconnected with inflation, such as technological progress. Countries may also make different choices about the stance of their monetary and fiscal policies - whatever the rate of inflation.

Each of these factors is highly relevant to the exchange markets and each of them therefore properly requires assessment by foreign exchange operators. So the key question about our current exchange rate regime is whether foreign exchange markets are good at making rational assessments of economic fundamentals.

If they are, then the exchange rate problem may effectively disappear once (if) inflation is beaten. But if they are not, then the problems of excessive volatility and disequilibrium of rates will recur, with the focus of attention simply transferred from inflation to some other variable.

There are several factors

suggesting that exchange markets, unaided, or not good at making such rational assessments. Above all, there is the monumental uncertainty about the future exchange rate when there is no exchange rate policy to anchor its value.

One way of dealing with this uncertainty is to avoid it altogether by curtailing or pulling out of operations whose outcome depends crucially on what happens to so capricious a variable as the exchange rate.

This may well be the way

Uncertainty about the future exchange rate will remain if there is no policy to anchor its value

industrialists respond (thus limiting the growth of world trade and, with it, our prosperity) but it does not offer much of a solution for professional investors or currency operators. They incline towards a second way of dealing with uncertainty behaving as though it did not exist by latching on to some fashionable idea, theory, or variable, and running with it for all it is worth before dumping it for another idea as soon as it has had its day.

This goes hand in hand with short-term horizons. Investors making a big play in the currency view but rather limit their crystal ball gazing to the near future. Then there is the structure of the foreign exchange markets. They are dominated by professional dealers.

Being wrong about a currency is not so terrible for these people so long as they are wrong in company with lots of others.

But the penalties for being wrong on your own can be severe. So the conventional view acquires a special force, and dealers are prone to herd-like behaviour. Moreover, the conventional view is formed with only casual attention to, and limited understanding of, the economic fundamentals.

This is a field where the charlatans hold sway. Surely they must be the entrail readers of the modern era.

Lastly, if an exchange rate becomes fundamentally misaligned, it can be a long time before the chickens come home to roost. Unlike the exchange markets, the real economy is forced by technological considerations, to operate with long time horizons, and long lead times.

So the misaligned can go some way before its consequences become apparent. It can even, sometimes, so alter the performance of the real economy as to validate the misalignment.

The high levels of sterling since 1979, for instance, by exacerbating the recession, have helped to maintain a current account surplus, which has in turn bolstered sterling.

So the exchange markets are prone to weakness in assessing the fundamentals. There are three courses of action open to the world's leaders to deal with this problem.

Firstly, they could seek to establish controls over capital movements. Secondly, they could subject all domestic economic policies to the maintenance of specified exchange rate objectives. Thirdly, they could help the markets to be guided more by fundamentals than by will of the wisp.

The first approach, if it worked (which is doubtful),

would entail large costs in terms of bureaucracy and inefficiency. The second, taken to extremes, would transfer the tyranny of the exchange markets from the determination of exchange rates to the determination of interest rates and monetary and fiscal policies.

Only the third approach offers a way out. What would it involve? Limited use of interest rates and other domestic policies in pursuit of exchange rate objectives, certainly, but also greater use of intervention to oppose excessive or irrational movements in rates, co-operation between central banks in this and other exchange rate policies; greater use of formal exchange rate structures, like the EMS; open use of ranges for the exchange rate in economic policy making; more information from the monetary authorities to the markets about the implications of current exchange rate developments; and possible policy responses.

In short, the objective of this approach would be to mould and anchor expectations in the exchange markets, to provide direction when foreign exchange operators, engulfed by uncertainty, would otherwise succumb to the pull of conventional opinion.

This approach would require a concerted international initiative and the development of a new international system, as opposed to the patchwork of de facto arrangements we now have. A Bretton Woods-type structure may not be desirable, but the spirit of Bretton Woods is just what we need. Make no mistake, sterling idly by and waiting for inflation to go away will not be enough.

Roger Bootle is chief economist at Capital-Cure Mfg.

Cooperatives flourishing, despite Meriden

When the agency started life in 1978 there were 180 industrial and service worker

Community coops are now emerging. Local communities pool resources to provide services, from re-opening a

which has turned into a franchise operation: the instant muscle co-operative which started at Farnham, Surrey, when four school-leavers offered themselves to do any job going so long as it was relatively safe.

Derek Harris

Maxwell Newton

And it adds: "Attention given to adequately funded and skilful marketing by individual centres

**Proposed Major Conference and Exhibition Centres in England: Department D, English Tourist Board, 3 Grosvenor Gardens, London SW1W 0DU, £3.50.*



Salaries of between £50,000 and £125,000 with an attractive package of fringe benefits were being offered to top executives as companies responded to tougher economic conditions, Russell Reynolds says.

Dated: August 8, 1983

[illegible]

NATIONAL TRUST AND SAVINGS ASSOCIATION
Trustee

886108 MIM 883621 MIM

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Copies of this Offer for Sale, having attached thereto the documents specified herein, have been delivered to the Registrar of Companies for registration. Application will be made to the Council of The Stock Exchange, London for the share capital of International Signal & Control Group PLC (ISC) now being offered for sale to be admitted to listing. This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange, London and the regulations of the Luxembourg Stock Exchange for the purpose of giving information with regard to ISC. The Directors of ISC have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly. The Memorandum and Articles of Association of ISC together with a Legal Notice will be filed prior to listing in Luxembourg with the Chief Registrar of the District Court of Luxembourg, from whom copies may be obtained upon request.



International Signal & Control Group PLC

(Incorporated in England and Wales on 7th September, 1982 under the Companies Acts 1948 to 1981 No. 1662614)

Offer for Sale by Tender

by

ROBERT FLEMING & CO. LIMITED

of

34,600,000 "A" ordinary shares of US\$0.10 each at a minimum tender price of

125p per share

the price tendered being payable in full on application

The "A" ordinary shares now offered for sale are uniform in all respects with the ordinary shares previously issued and listed on The Stock Exchange, London and the Luxembourg Stock Exchange except that, until 17th February, 1984, they are subject to the restrictions as to registration by or on behalf of North American Persons set out below.

The Application List for the shares now offered for sale will open at 10.00 a.m. on Friday, 12th August, 1983 and may be closed at any time thereafter.

The shares of ISC have not been registered under the United States Securities Act of 1933, as amended, and none of the "A" ordinary shares now being offered for sale may be offered, sold, renounced, transferred, assigned, exchanged or otherwise disposed of, directly or indirectly, in the United States of America, its territories or possessions ("the USA") or in Canada or to nationals or residents thereof, the estates of such persons, or any corporation or other entity organised under any law of the USA or Canada or any political subdivision thereof (collectively "North American Persons") at any time prior to 17th February, 1984. Every applicant for, or renouncee of, "A" ordinary shares comprised in this Offer for Sale and every other person applying for registration in respect of "A" ordinary shares of ISC prior to 17th February, 1984 will be required to make a declaration in the form contained in the Application Form below, in order to monitor the ownership of ordinary shares and "A" ordinary shares by North American Persons, nationality declarations will be required in connection with all transfers of shares of ISC. Furthermore, no person receiving a copy of this Offer for Sale and/or an Application Form in any territory other than the United Kingdom or the Grand Duchy of Luxembourg may treat the same as constituting an invitation to him, nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation could lawfully be made to him and such Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom or the Grand Duchy of Luxembourg wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including the need to obtain any governmental or other consents which may be required and the observance of any other formalities to be observed in such territory.

Preference will be given, in respect of up to 10 million "A" ordinary shares of ISC (20% per cent. of the shares being offered for sale), to applications made by shareholders of ISC on the Register at the close of business on 29th July, 1983 (other than shareholders who are, or are believed to be, North American Persons).

SHARE CAPITAL OF ISC

Authorised	Issued and to be issued fully paid
1,000,000	10,183,778
(in ordinary shares of \$0.10 each)	3,460,000
(in "A" ordinary shares of \$0.10 each)	13,643,778

INDEBTEDNESS

At the close of business on 30th June, 1983, ISC and its subsidiaries had outstanding borrowings or indebtedness in the nature of borrowings, including bank overdrafts, as follows:

- revolving credit loan facilities (unsecured) with banks under which the principal amount then owing was \$11.5 million;
- lease finance obligations totalling \$0.8 million;
- other loans (unsecured) totalling \$0.1 million; and
- contingent liabilities under advance payment guarantee, performance bonds and letters of credit issued by their banks in the normal course of business in the amount of \$46.0 million, of which \$18.8 million was secured by bank deposits.

ISC Electronics Inc., a subsidiary of ISC, is contingently liable in respect of a bank loan in the amount of \$0.7 million made to a third party; the subsidiary has the benefit of an indemnity from Parent Enterprises, Inc. (a company of which Mr. J. H. Guerin is the sole shareholder) in respect of this loan.

At the same date, ISC and its subsidiaries had aggregate cash balances of \$19.8 million, of which \$18.8 million was held on interest bearing fixed deposit as security in respect of advance payment guarantee and performance bonds.

At the close of business on 30th June, 1983, The Marquardt Company had outstanding borrowings or indebtedness in the nature of borrowings, including bank overdrafts, as follows:

- a note payable (secured) of \$2.6 million; and
- lease finance obligations totalling \$0.7 million.

At the same date, The Marquardt Company had aggregate cash balances of \$0.7 million. Save as aforesaid and apart from intra-company borrowings, neither ISC or any of its subsidiaries nor The Marquardt Company or its subsidiary had at that date any loan capital (including term loans) outstanding, or created but unused, or had outstanding other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, outstanding mortgages, charges, hire purchase commitments or guarantees or other material contingent liabilities.

The following is the text of a letter to Robert Fleming which has been received from the Directors of ISC.

5th August, 1983

Dear Sirs,
ISC Electronics Inc., a wholly owned US subsidiary of ISC, has conditionally agreed to acquire the entire issued share capital of Marquardt. This letter provides information, first on the Existing Group and secondly on Marquardt, together with some information on the Enlarged Group.

THE EXISTING GROUP

ISC has been listed on The Stock Exchange, London and on the Luxembourg Stock Exchange since October 1982. It is the holding company for a number of wholly owned subsidiaries in the USA and of a wholly owned subsidiary in the UK.

HISTORY

The business of the Existing Group had its origins in 1971 when Mr. James H. Guerin established a company in Lancaster, Pennsylvania, the aim of which was to obtain US Government work for communication devices and other electronic equipment and to identify and exploit commercial opportunities arising from such work. Contracts with the US Navy and the Federal Aviation Administration for the supply of electronic equipment were first obtained in late 1971. Tenders were made for government projects which included electronic test and control systems, and in the summer of 1972 orders were obtained from the US Navy for parts for inclusion in its missile programmes. Expertise expanded to include the telemetry technology which currently forms part of the business of the Existing Group's US Military Division. The first major complete

INTRODUCTION

A subsidiary of ISC has agreed to acquire the entire issued and outstanding share capital of Marquardt for completion immediately after this Offer for Sale.

The Existing Group

The Existing Group is principally engaged in:

- the marketing outside the USA of high value security, defence, communications and electronic warfare total systems;
- the marketing to certain large customers outside the USA of sub systems and components, and also products for which the Existing Group has exclusive marketing rights; and
- the design and production of medium to high technology electronic systems and equipment for the US Government.

The first two of the above categories form the business of the Existing Group's International Division, and the third is carried on by the US Military Division. Further information as to the categorisation between total systems, sub systems and components is given in the section "Business" under the heading "The Existing Group".

Marquardt

Marquardt is engaged in:

- dynamics, including the production of propulsion units for missiles, satellites, space vehicles and other aerospace applications;
- air launched weapons systems, including programmes for the US Government; and
- aerospace component manufacturing, including sub-contract work on airframe sections and components.

Pro Forma Statistics at the Minimum Tender Price

Minimum tender price	125p
Earnings per share	
Existing Group for the year ended 31st March, 1983	\$0.090 (6.0p)
pro forma combined	\$0.094 (6.2p)
Historic price earnings ratio	
Existing Group	20.8
pro forma combined	20.2
Net assets per share	
Existing Group as at 31st March, 1983	\$0.64 (42p)
pro forma combined	\$0.85 (56p)
Forecast gross dividend yield on the basis of the forecast total dividends of \$0.02 (and related tax credit) per share for the year ending 31st March, 1984	1.5 per cent.
To the extent that the striking price is higher than the minimum tender price, the pro forma combined earnings per share will increase, as illustrated in Appendix 3.	
For the purpose of calculating earnings and net assets per share and dividend yield, dollar amounts have been translated to their sterling equivalents at the rate of \$1.51 = £1.00. All pro forma figures are derived from the pro forma statements in Appendix 3.	
All the above information should be read in conjunction with the full text of the Offer for Sale.	

systems contracts, involving applications derived from computerised test systems, were awarded in 1975. In the same year, the US Military Division set up an office in Washington D.C. in connection with tendering for US Government work.

A separate division was set up to deal with overseas trade in 1973. In 1975 the operation was transferred to a wholly owned corporation to take advantage of the tax regulations of the US Internal Revenue Code relating to exporters. Initially, overseas sales related principally to the provision of electronic test equipment, control devices and electronic components. The International Division also established a separate office in Washington D.C. in early 1980 to obtain export licences and to keep the International Division informed as to the current stance of the US Government towards the sale of equipment and the transfer of technology to various countries. An English company (previously called ESI London PLC) was established in 1979 to promote sales outside the USA.

BUSINESS

The two operating divisions of the Existing Group are the International Division (carried on in Lancaster, Pennsylvania and in London) and the US Military Division (carried on in Lancaster).

The International Division now contributes the major part of the sales and gross profit of the operations of the Existing Group, as is shown by the following analyses for the five years ended 31st March, 1983:

	1979	1980	1981	1982	1983
Sales	\$000	\$000	\$000	\$000	\$000
International Division	17,339	24,738	41,390	61,941	91,637
US Military Division	9,228	11,760	10,196	13,811	15,543
	26,567	36,519	51,586	75,752	107,180
Gross Profit					
International Division	4,943	6,833	11,773	16,324	30,274
US Military Division	1,872	2,111	2,763	3,901	602
	6,814	8,944	14,536	19,225	31,076

DIRECTORS AND ADVISERS

Directors

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Carl Heins Dreyer (USA)
3080 Hempland Road, Lancaster, Pennsylvania 17601, USA
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Advisers in Luxembourg
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35 Boulevard Prince Henri,
1724 Luxembourg

Robert Fleming
US or USA
UK

\$, US\$ or dollars and cents
— International Signal & Control Group PLC
— The Marquardt Company
— ISC and its subsidiaries prior to the acquisition of Marquardt
— ISC and its subsidiaries after the acquisition of Marquardt
— Robert Fleming & Co. Limited
— United States of America
— United Kingdom
— Dollars and cents in the currency of the USA

The following table sets out the breakdown of sales by principal continental area for the five years ended 31st March, 1983:

	1979	1980	1981	1982	1983
Africa and the Middle East	37	20	60	65	78
Europe	13	10	14	2	2
Other	15	36	6	15	6
Total non USA	65	66	80	82	86
USA	35	32	20	18	14
	100	100	100	100	100

The nature of the Existing Group's business is such that it tends to deal, on the basis of relatively large contracts, with a relatively small number of customers.

In relation to sales of sub systems and components (as set out in the table below) one group of customers under contract accounted for 42 per cent. of total sales (of all categories) for the year ended 31st March, 1983 (57 per cent. for the year ended 31st March, 1982) and another customer for 5 per cent. of such sales (13 per cent. for the year ended 31st March, 1982).

In relation to sales of total systems (as set out in the table below) in the year ended 31st March, 1983 one customer accounted for 19 per cent. of total sales and two others for 8 per cent. and 5 per cent. respectively. These sales were in respect of new contracts and no sales were made to these customers in earlier years.

مكتبة الأصل

International Signal & Control Group PLC

Three factors, in particular, remain crucial to the success of the Existing Group. Exports from the USA and the implementation of technology transfer agreements are subject to approval by the appropriate US Government agencies. Although the Existing Group has no reason to anticipate any substantial changes in current US policy, such changes in relation to relevant product classifications or destinations could be very significant to the Existing Group. Secondly, the Existing Group operates in very sensitive areas where secrecy as to the nature and extent of contracts and in many cases as to the identity of the customers themselves is of paramount importance. Should any breach of confidentiality occur, and the Existing Group takes stringent precautions that it should not, the results could be most detrimental to many areas of its business. This is particularly the case in view of the current importance to the Existing Group of its largest customers. Thirdly, the Existing Group does business with customers in certain countries a change in whose political or economic circumstances may have an adverse impact on its business.

INTERNATIONAL DIVISION

International Division sales for the five years ended 31st March, 1983 may be analysed by category as follows:

	1979	1980	1981	1982	1983
	0000	0000	0000	0000	0000
Total systems	8,563	9,985	5,820	4,553	35,928
Sub systems	2,863	5,253	13,594	89,165	48,501
Component procurement	5,133	5,540	13,227	75,144	6,924
Services	761	3,955	2,642	2,968	224
Exclusive marketing rights	17,389	24,759	41,380	61,941	91,887

Total Systems

Total systems are those for which the International Division is the prime contractor for concept, design, development, supply, installation, on-site testing and maintenance. In certain cases, the International Division will supply such total systems on a turnkey basis. In other cases, it is involved in the transfer of technology, whereby the customer acquires the ability to manufacture equipment itself. A total system is one which stands on its own and requires little, if any, additional peripheral equipment or adjunctive sub-systems.

The contract value of each total system is several million dollars and it will therefore be noted from the above table that relatively few such systems were obtained in the five years ended 31st March, 1983. In the last such year, contracts relating to three major programmes were secured and these accounted for substantially all of the increase in sales of total systems.

The Existing Group is marketing total systems in the principal areas set out below:

(a) Security

The International Division is involved in the design, supply and implementation of complete security systems for government and commercial use. These include systems for detecting and preventing intrusion. Each system is tailored to meet the specific requirements of the customer and systems that have been developed include those for the protection of large installations (such as building complexes, oil fields and airports) and border areas. Features to be found in these systems include computerised control centres, card and keyboard access control equipment, acoustic or seismic sensors, closed circuit television and metal or explosive detectors utilised as appropriate to provide a comprehensive security capability. A modular approach is adopted to ensure that the system can be readily updated.

(b) Defence

The International Division has entered into contracts for the supply of systems and the transfer of technology relating to production capabilities for an aircraft delivered special purpose ordnance device and a range of other ordnance systems. In certain of these contracts the systems are assembled in facilities directly under the Existing Group's control. In other cases sub-contractors are used, including Marquardt.

(c) Communications and Electronic Warfare

The communications systems marketed in the five years to 31st March, 1983 were tactical communication manpack radio systems utilising HF or VHF digitally-synthesised transmitters.

Electronic warfare systems form a key element of any modern military operation. They are designed to perform a wide range of functions including surveillance of opposing forces' radio communications, the partial or total disruption of their transmission, and the detection of any communication or other electronic device used by an opposing force in its aircraft, missile, land or naval units.

Sub-Systems

A sub system does not stand alone and normally works in conjunction with an existing or proposed total system held by the customer. In this case, the customer provides a specification for the operation of the sub system and the International Division provides a sub-system to fulfil this role. The responsibility of the International Division is limited to the provision of this sub-system to meet that specification without having the responsibility for the performance of the total system. Examples of this are mini-computers to act as control elements in large test systems already installed; RF signal generators to act as stimuli for in-process test systems already in place in radio factories; large power converters to adapt systems purchased from other sources by the customer to the power configuration at the site of installation; and equipment for incorporation in sophisticated electronic network systems used in fixed and mobile station operations (including HF or VHF receivers, monitor receivers, processors and appropriate antennae).

The International Division is required to expend varying degrees of engineering time to document, adapt, inspect and support final test and acceptance at the installation site. It is normally involved in consultation with the client to establish the design and performance parameters and advice on how integration with the client's total system can best be achieved.

Component Procurement Services

The International Division is active in providing certain overseas clients with a wide range of electronic components and equipment, the majority of which are manufactured in the USA. It does not normally stock these components but initiates orders upon receipt of a firm order. With certain orders, engineering specifications have to be prepared by the International Division to ensure that the component complies with the customer's performance requirements. Examples of components include thin film and thick film integrated circuits, discrete transistors, transistors, microcircuit circuits, inductors and capacitors. Technical inspections are performed when required by the customer.

The Existing Group has established, through its UK subsidiary, a branch to stock and distribute components. These components are purchased both from the Existing Group's US sources and also from a wide range of other suppliers, including French and Japanese manufacturers.

Exclusive Marketing Rights

The International Division markets certain systems including security, ordnance and communication devices for which it has exclusive marketing rights outside the USA. The majority of these products are manufactured in the USA.

Marketing for International Operations

The current marketing strategy of the International Division has two aims: identification of customers and utilisation of internal technical expertise augmented by suppliers' electronic products and technology. Potential customers are those foreign governments or other institutions which have sufficient funds, have a requirement for a relevant system or product and, where necessary, are likely to qualify for a US export licence.

The International Division seeks to identify available technology and hardware which would meet the requirements of potential customers and which, in the case of US products, it is thought will be approved by the US Government for export to the country involved.

The International Division employs approximately 130 people.

Export Licences

The export of goods or technology from the USA by the International Division requires an export licence. The ability to obtain such licences is essential to the business of the International Division.

The export of goods or technology of military or defence significance is regulated by the US Department of State in furtherance of the security and foreign policy of the United States. The export of certain other goods or technology is regulated by the US Department of Commerce to protect the domestic economy and to further US foreign policy and national security. The Department of Defense also reviews certain products and technology for national security purposes. The ultimate destinations and use of the goods or data are important considerations in both licensing procedures and are often incorporated into the terms of the licence.

In addition, the business of the International Division may be affected, either favourably or unfavourably, by embargoes or other trade restrictions imposed by the USA or other countries.

During the year ended 31st March, 1983, about 78 per cent. of the dollar value of the goods and technology exported by the International Division was covered by licences issued by the Commerce Department, and the balance was covered by licences issued by the State Department.

Failures to comply with these licensing requirements, or to observe embargoes and other trade restrictions, including material breaches of the terms of the licences, could have a material adverse effect on the business of the International Division.

US MILITARY DIVISION

The US Military Division designs and manufactures a range of medium to high technology electronic military equipment and produces systems (generally for the US Government) concentrating on contracts which involve the development of full manufacturing products already existing at the prototype stage, rather than the development of its own products. However, some test equipment has been developed in-house. The US Military Division has to meet stringent US Government quality requirements and therefore a significant amount of product testing is carried out to ensure a high degree of reliability.

In the year ended 31st March, 1983 approximately 74 per cent. of the US Military Division output was sold directly to the US Defence Department. Most of the remainder was sold to other US corporations acting as prime contractors to the US Defence Department.

The fact that this Division is a supplier to the US Defence Department is of importance to the credibility of the International Division when marketing systems outside the USA. In addition, the technological capability of the Division is of benefit to the international operations.

The US Military Division's contracts are put out to tender by the various military and Defence military equipment agencies. Defence Department and military programmes are normally determined on a five year basis with annual reviews and amendments. Details of specific military equipment are generally known about 12 months in advance. In view of the constraints on the market and the products, no advertising or publicity campaigns are undertaken. The US Military Division employs some 600 people and occupies some 25,000 square feet of manufacturing space in Lancaster, Pennsylvania.

Products

Products are primarily sold under contract with each of the early work being devoted to developing prototype and test equipment. The US Military Division currently operates as follows:

(i) Sensor Systems

The US Military Division currently produces and markets FEWS (Platoon Early Warning System), a seismic and magnetic sensor system which monitors activity within an area and transmits data to a receiver which enables the target to be identified as either one or a group of men or vehicles. Contracts are in progress for the production of other advanced sensor systems.

(ii) Telemetry Systems

Various types of DKT data transmitting sets are produced for the US Navy. These are carried on the missile during development and testing in order to transmit back information on its performance. They may also be used to test missiles in government stores on a sample basis.

(iii) Electronic Fuzes

Fuzes are electronic detonating devices which usually include a target detecting system. In the late 1970s, fuzes programmes accounted for a significant proportion of the work carried on by the US Military Division. Specific projects included the M-817 system used on the Chaparral missile and parts of the Strike and Sparrow missile fuzes.

(iv) Communication Systems

Communications contracts include the AN/GR-114 radio data link sound ranging system and the TD-1066 high speed data buffer, both produced for the US Army. The AN/GR-114 picks up the sound of enemy artillery fire and locates its source, and the TD-1066 scrambles data or voice received for transmission over existing US Army communications systems. The Existing Group has recently received its first export order for sound ranging systems.

(v) Test Equipment

Test equipment projects have included a sub-contract, in the mid 1970s, from a major US defence contractor to design and develop equipment to test sub-systems of the C-4 Trident Missile. Expertise resulting from these projects continues to be developed in the design of specialised automatic test equipment primarily for in-house use.

(vi) Other Products

The Directors of ISC consider that there has been a tendency in recent years for prime contractors on larger government defence projects to increase the amount of work sub-contracted to other businesses. The US Military Division, benefiting from its government qualifications and experience, has gained several major sub-contracts with US prime defence contractors. This involves the production of a variety of standard electronic modules for use in specialised computer-related and other systems.

RELATIONSHIPS WITH CUSTOMERS

The International Division has longstanding and close relationships with many of its customers and is required by them to maintain strict confidentiality regarding contracts. In particular, in many cases, the Existing Group cannot disclose the identity of the customer, the subject of the contract or the location at which the products or services supplied by the Existing Group are to be used. Extended credit is advanced to certain of these longstanding customers.

The US Military Division has received security clearance from the US Defense Department and complies fully with that Department's requirements of confidentiality and security.

RELATIONSHIPS WITH SUPPLIERS

The International Division is dependent on outside suppliers for a large part of the constituent elements of its systems and sub-systems. Although delays in delivery, or the supply of defective parts, by outside suppliers could seriously hamper progress on a particular project, the International Division has not in the past experienced difficulties of this nature. As far as the US Military Division is concerned, the Directors of ISC consider that there is no significant risk to its operations from dependence on any one supplier.

RESEARCH AND DEVELOPMENT

Research and development is carried on principally by the US Military Division, which has traditionally concentrated more on re-design and modification than on pure research. To enhance the Existing Group's capabilities in selected areas, an Advanced Systems sub-division has been established. Expenditure which does not relate to defence contracts funded by the US Government is written off in the financial statements in the year in which it is incurred. Certain work is currently being carried out on the development of thin film and ring core magnetometers for application in sensitive fuzes and sensors.

A budget of 2 per cent. of total sales has been allocated to augment the US Government research and development programmes undertaken by the US Military Division.

COMPETITION

The Existing Group faces considerable competition both within the USA and internationally in all areas of its operations. While it is expected that competition based on improving technology will continue to be significant to the Existing Group's operations, the Directors of ISC believe that the position established by it, combined with the anticipated growth in demand for the systems and products of the type supplied by the Existing Group throughout the world, should enable it to meet such competition.

PRINCIPAL PREMISES

The US Military Division and the International Division operate from separate leasehold premises in Lancaster, Pennsylvania. The latter division also operates from leasehold premises in London and in Basingstoke. Full details of these are set out in paragraph 6 of Appendix 5.

ORGANISATION, DIRECTORS AND EMPLOYEES

Organisation

The Board of ISC is responsible for the overall direction of the activities of the Existing Group, but the management of the divisions are responsible for their day-to-day operations. In order to maintain the security clearance with the US Defense Department, the share capital of the subsidiary through which the US Military Division operates is subject to an irrevocable proxy in favour of three persons approved by the Department who are also directors of that subsidiary (see material contract (viii) in paragraph 15(a) of Appendix 5).

Directors

Mr. James H. Goerlin (aged 53) founded the original business of the Existing Group in 1971 and is the Executive Chairman of ISC. He has a Master of Science degree in Electrical Engineering and has over 25 years of experience in that field. Prior to 1971 he was General Manager, Systems Division of Hamilton Watch Company directing over 1,000 personnel in the development and manufacture of ordnance, electronic devices and systems and prior to that the Engineering Department Manager for a portion of the Poseidon missile system for Lockheed Missiles and Space Company.

Mr. Carl H. Dreyer (aged 63) has been with ISC or predecessor companies since they were founded and is Vice-President of Administration and Corporate Secretary of the Existing Group's US holding company. He has a Master of Science degree in Electrical Engineering and over 25 years of experience in that field. He was previously Director of Product Assurance for Hamilton Watch Company and United Aircraft Corporation and prior to that he was involved with quality engineering at Honeywell, Inc.

Mr. John M. Fox (aged 70) has been a non-executive Director of ISC and a predecessor company since 1981. He is Chairman of SCA Services Inc. He retired as a Director of International Business Machines Corporation (IBM) in April 1983.

Mr. John G. Hartley (aged 36) has been Managing Director of the Existing Group's UK subsidiary since 1979. He has an Honorary Degree in Economics. Previously he was a self-employed management consultant and also held a number of advisory and executive posts in manufacturing industry in the United Kingdom.

Mr. John A. Heywood (aged 46) has been a non-executive Director since 1982. He was a Joint Managing Director of Jardine, Matheson & Co., Limited until July 1982, with special responsibility for international operations, having been employed by that company in the Far East for 20 years.

Mr. Stuart M. Pindell Jr (aged 44) has been with ISC or predecessor companies since 1974 and has been Vice-President and General Manager of the International Division since its inception. He has a Bachelor of Science degree in Electrical Engineering and has over 20 years of experience, and holds several patents, in the electronics field. Before this, he was President of Novor, Inc., a firm which manufactured electrical and electronic instruments and, prior to that, the Manager of Product Development in the Instruments Division of Hamilton Watch Company.

Mr. Joseph H. Zilligen (aged 42) is Finance Director of ISC and was Vice-President, Finance, and Treasurer of its predecessor company from 1980. He was previously a management consultant with Arthur Young & Company and Treasurer of The J. K. Baker Company.

Employees

The Group employs some 840 people. Industrial relations have been good, although there was a one month strike by production employees in the US Military Division in 1981, when alternative arrangements were made to continue production. After brief qualifying periods a non-contributory pension scheme and life, medical expenses and long term disability insurance are available to all employees in the USA and the United Kingdom.

PAST PROFITS

There is set out below a summary of the results of the current operations of the Existing Group, on the historical cost basis, before extraordinary items arising from the offer for sale in October 1982 for the five years ended 31st March, 1983, which has been extracted from the Accountants' Report in Appendix 1. The Existing Group draws up its financial statements in dollars, so this is its principal operating currency.

	1979	1980	1981	1982	1983
	0000	0000	0000	0000	0000
Sales	26,567	36,518	51,586	75,752	107,480
Cost of sales	(19,753)	(27,375)	(37,050)	(56,237)	(76,404)
Gross profit	6,814	9,143	14,536	19,515	31,076
Operating expenses	(8,888)	(9,390)	(8,285)	(8,319)	(12,438)
Other operating income	191	328	315	154	124
Operating profit	3,207	3,881	7,966	11,350	18,762
Interest receivable	110	110	110	616	616
Interest payable	(1,475)	(2,472)	(3,283)	(6,042)	(4,282)
Profit on ordinary activities before taxation	1,932	1,519	4,793	5,924	15,096
Taxation	(443)	(527)	(1,276)	(2,517)	(6,856)
Profit on ordinary activities after taxation	1,489	992	3,517	3,407	8,240

During the period under review, the growth in profit has been largely due to the expansion in business of the International Division. In the four years to 31st March, 1982, gross profit margins remained relatively constant overall on the increased sales. Further significant growth in the International Division occurred in the year to 31st March, 1983 and, although the sales of the US Military Division increased, turnover and profit fell short of budget. Production and shipments of the US Military Division did not meet the production plan and in addition some difficulties were encountered in the timing of suppliers' deliveries.

Interest costs increased during the period to 31st March, 1983 reflecting the expansion of trade on extended credit terms, particularly with customers of the International Division. The year to 31st March, 1983 benefited from the money raised from the offer for sale in October 1982.

Special factors relating to the taxation charge are discussed in Note 4 to the Accountants' Report in Appendix 1.

MARQUARDT

HISTORY

Marquardt was established in California in 1944 and began operations as a sub-contractor to the University of Southern California on a subsonic ramjet propulsion development programme for the US Navy. Marquardt was a public company from 1952 to 1968 when it was acquired by CCI Corporation ("CCI") of Tulsa, Oklahoma. Marquardt operated as a division of CCI from 1968 until May 1974 but, following a reorganisation as of that date, Marquardt has operated as an autonomous subsidiary of CCI.

Marquardt's original work on ramjets led to an involvement in dynamics engineering during the 1950s including ram air power turbine driven units. Subsequently Marquardt developed a range of liquid fuelled rockets for space use.

The dynamics engineering described above required sophisticated manufacturing techniques which were capable of being adapted for other uses. In the 1960s, Marquardt developed a second principal product area, air launched weapons systems. This involved the establishment of special manufacturing techniques and processes for the efficient production of high volume, low cost weapon casings for ordnance systems and components. Marquardt's third principal product area, aerospace component manufacturing, was also established to take advantage of Marquardt's production facilities; a number of sub-contracts have been completed for various US aerospace companies.

BUSINESS

The following table sets out an analysis of Marquardt's turnover and gross profit for the five years ended 30th April, 1983, divided between the three principal product areas:

	1979	1980	1981	1982	1983
	0000	0000	0000	0000	0000
Sales					
Dynamics	13,541	17,465	23,462	26,969	25,555
Rocket propulsion systems	2,859	7,278	6,887	4,205	8,425
Turbo products	16,675	11,732	6,566	5,169	2,522
Airbreathing propulsion	33,178	36,465	36,715	36,443	36,533
Air launched weapons	24,508	14,117	4,297	4,237	22,741
Aerospace component manufacturing	3,464	5,573	7,025	9,775	6,564
	61,150	56,155	48,037	60,545	65,837
Gross Profit					
Dynamics	1,705	2,730	4,244	4,339	3,932
Rocket propulsion systems	1,248	1,235	1,248	946	2,025
Turbo products	2,231	2,024	1,073	831	170
Airbreathing propulsion	5,184	5,979	6,665	6,116	6,127
Air launched weapons	3,074	1,269	494	865	3,826
Aerospace component manufacturing	500	1,086	1,243	2,365	1,895
	8,758	8,334	8,391	9,346	11,648

PRODUCTS

1. Dynamics

Marquardt is engaged in three principal areas of dynamics engineering:

a) Rocket Propulsion Systems

Marquardt's work on liquid fuelled rockets has concentrated on low thrust systems used in precision control applications. Marquardt has not been involved in main rocket engines for missiles or satellite launchers. Liquid fuelled rockets fall into two main categories, monopropellant and bipropellant. In the first type, thrust is provided by the reaction of a simple liquid fuel with a catalyst. Such systems are relatively simple and were used on earlier, lighter satellites which were sent into a low orbit up to some 150 miles above the Earth. Their main drawback is that they have lower performance than bipropellant rockets and the reaction with the fuel gradually degrades the catalyst. With the trend towards larger, more sophisticated and more expensive satellites being launched into geosynchronous orbit approximately 23,000 miles above the Earth (an orbit in which the speed of the satellite round the Earth matches the speed of rotation of the Earth itself, the satellite remaining in the same place relative to the Earth), systems with a longer life have been sought. This has led to a concentration on bipropellant motors where thrust is produced by the interaction of two different liquids. Such systems can have a life of up to 10 years which is necessary to justify the cost of putting large satellites into geosynchronous orbits. In the early 1970s Marquardt took the decision to develop a family of bipropellant rockets for satellite application, having anticipated the trend towards larger satellites. This is now Marquardt's dominant technology in rocket motors though monopropellant units are still produced for specialised uses.

Marquardt's first operational engine flew on the US Lunar Orbiter which circumnavigated the Moon in 1968 and since then its rocket engines have been used on every manned US space mission. Over 400 Marquardt engines were supplied to Rockwell International for the Apollo programme. The Space Shuttle carries 44 precision attitude control rocket engines developed and manufactured by Marquardt. Apart from its contribution to the manned space programme, Marquardt also provides reaction control rockets for a number of different satellites including US meteorological and communications satellites and the British Aerospace L-SAT.

Marquardt currently manufactures an extensive range of bipropellant and monopropellant precision reaction control rockets with thrusts ranging from 0.010 lbs to 1800 lbs. It is also engaged in the research, design, development and production of new propulsion methods including programmes sponsored by the National Aeronautics and Space Agency ("NASA") and the US Defense Department.

b) Turbo Products

Marquardt has been a leading developer and producer of ram air powered turbine driven units, controls and accessories since 1948. More than 20,000 units of both fixed-pitch and variable-pitch turbines have been delivered by Marquardt for a broad range of military and commercial aircraft applications including missiles, target systems and pod assemblies. Products break down into two broad categories:

(i) **Target Tow Reels**—Marquardt produces two varieties of reeling machines which provide for the recovery of low cable and targets used in air-to-air and ground-to-air weapons training exercises. Both models are capable of supersonic target towing. The largest model carries 40,000 feet of cable.

(ii) **Ram Air Turbines**—These devices provide either primary or emergency hydraulic, electrical or mechanical power for aircraft, pods or missiles. Examples of Marquardt's products are the ram air turbine to provide emergency power for the DC10 civil airliner and a ram air powered turbine generator which provides primary power for the electronic counter-measures pod mounted on F-4 Phantom aircraft.

c) Airbreathing Propulsion

Marquardt's original business in ramjets is now the smallest activity in terms of sales but it remains a key technology. The ramjet concept is considered to be one of the simplest, most cost-efficient propulsion systems ever devised for flight within the Earth's atmosphere. The ramjet uses fixed components (as opposed to rotating parts in a turbine) to compress air which is forced into the engine by its forward motion. The ramjet therefore needs forward velocity to start its operating cycle. Once operating, compressed air passes in a combustion chamber where fuel is burned and the resultant hot gas expands to high velocity in a nozzle, providing high speed continuous thrust.

The initial velocity required by a ramjet is provided by a booster rocket and most modern ramjet powered missiles use the integral rocket ramjet ("IRR") concept. In this system a solid propellant charge in the combustion chamber accelerates the unit to ramjet operating speed. At that point, when the propellant has been used up, the rocket components are jettisoned and the engine operates as a pure ramjet.

There are a number of versions of this system in which the ramjet uses either solid or liquid fuels. Ramjets are effective up to about five times the speed of sound, and a further variant, known as the supersonic combustion ramjet, will operate at still higher speeds. Marquardt has recently successfully developed and flight tested a liquid fuelled IRR.

Marquardt has designed, developed and produced over 2,300 ramjets for US military applications, mainly for missile and target drone propulsion. Marquardt's current programmes are primarily concentrated on the development of propulsion systems for the next generation of strategic and tactical missiles. These programmes include development of the cruise engine for the US Navy's supersonic anti-ship missile target and a variety of liquid and solid fuelled IRRs for new missiles. Marquardt has developed an IRR to power the advanced strategic air launched missile (ASALM). Development of this engine is continuing for new applications such as long range surface-to-air and air-to-air missiles. The Directors of ISC believe that there is a current trend towards hypersonic missiles and that Marquardt's technology in ramjets is likely to prove of increasing importance.

2. Air Launched Weapons

Marquardt's capabilities in air launched weapons technology cover the production of airborne externally carried free fall weapons or casings for such weapons, anti-tank and anti-aircraft warheads and assemblies, shaped charges, dispensers and sub-munitions components.

Marquardt's production expertise has proved especially valuable in the light of the increasing tendency of modern weapons systems to be packed with sub-munitions. For example, one aircraft delivered special purpose ordnance system manufactured by Marquardt has resulted in a production run of more than 90,000 weapons and 20 million sub-munitions. Marquardt has also been involved in the TOW (Tube launched, Optically tracked, Wire guided anti-tank weapon and Sidewinder (air-to-air missile) programmes.

3. Aerospace Component Manufacturing

Marquardt offers a wide range of advanced manufacturing services from

International Signal & Control Group PLC

COMPETITION

Although the Directors of ISC believe that there is no other US corporation with a range of products and activities directly comparable with Marquardt's, Marquardt faces considerable competition both within the USA and internationally in all areas of its operations. Certain of Marquardt's competitors are significantly larger in terms of turnover and financial resources. However, the Directors of ISC are confident that Marquardt's technical expertise in its three main product areas of operation will enable it to expand in the future.

PREMISES

Marquardt owns the freehold of a 56 acre site at Van Nuys, California, north of Los Angeles, which is utilised almost entirely by Marquardt. Manufacturing space extends to 220,000 square feet, warehousing 140,000 square feet and engineering 120,000 square feet. The site includes a 13 acre test facility for airbreathing and rocket propulsion systems and can accommodate significant expansion of the present facilities without the requirement to purchase or lease additional land.

ORGANISATION, SENIOR OFFICERS AND EMPLOYEES

In order to maintain the security clearance with the US Defense Department, the share capital of Marquardt will, after its acquisition by ISC Electronics Inc., be subject to an irrevocable proxy in favour of three persons approved by the Department who will be directors of Marquardt (see future contract (i) in paragraph 16(b) of Appendix 5).

Senior Officers

Mr. K. E. Woodgriff (aged 49) is President and Chief Executive Officer of Marquardt. He has been employed by Marquardt since 1957 and has a Bachelor of Science degree in Mechanical Engineering. He has entered into a 5 year service agreement with that company, which will take effect on completion of the acquisition of Marquardt.

Mr. J. A. Marossy (aged 49) is Senior Vice President, Finance and Administration. He has been in charge of Marquardt's finances since 1979 and has a Master of Science degree in Business Administration.

Mr. A. N. Thomas (aged 60) is Vice President, Engineering. He has been employed by Marquardt since 1959 and has a Master of Science degree in Aeronautical Engineering.

Employees

Marquardt has approximately 850 employees. There is no trade union at Marquardt, which has an excellent record of industrial relations.

PAST PROFITS

There is set out below a summary of the profits of Marquardt on the historical cost basis for the five years ended 30th April 1983, which has been extracted from the Accountants' Report in Appendix 2—

	1979	1980	1981	1982	1983
Sales	61,150	66,155	68,037	50,545	65,837
Cost of sales	(22,392)	(24,821)	(26,846)	(21,189)	(24,169)
Gross profit	38,758	41,334	41,191	29,356	41,668
Overheads	(5,404)	(5,457)	(5,558)	(6,488)	(6,939)
Other operating income	916	466	407	392	392
Operating profit	4,370	3,343	3,330	3,270	5,101
Interest receivable	148	370	437	510	793
Interest payable	(823)	(847)	(853)	(401)	(391)
Profit before taxation	3,587	2,866	2,833	3,379	5,503
Taxation	(1,760)	(1,400)	(1,402)	(1,955)	(2,849)
Profit attributable to equity shareholders	1,827	1,466	1,431	1,714	2,754

In the four years to 30th April 1982, there was an overall decline in sales, arising partly from reduced US Government spending on airbreathing products and partly from a commercial decision by Marquardt to reduce its air launched weapons production. However, the impact on profits before taxation was reduced by improved profit margins and interest benefits from the positive cash flow of Marquardt. With the significant improvement in sales in the year ended 30th April 1983, compared with the previous years, together with the holding of margins and the continued improvement in net interest receivable, profits before taxation increased by some 66 per cent. on those for the previous year.

THE ENLARGED GROUP

TERMS OF THE ACQUISITION OF MARQUARDT

Under an agreement made between CCI (the holder of the entire issued share capital of Marquardt) and ISC Electronics Inc. (a wholly owned US subsidiary of ISC) dated 12th July 1983, CCI conditionally agreed to sell to ISC Electronics Inc. the whole of the issued and outstanding share capital of Marquardt. ISC has guaranteed the obligations of ISC Electronics Inc. under the agreement. The principal element of the consideration for the acquisition is the cash sum of \$43.5 million, of which \$39.5 million is payable to CCI on completion and \$4 million is payable to an Escrow Agent to be paid by such Agent to CCI (without interest) on the first anniversary of completion. The other element of the consideration is the issue to CCI by ISC of 600,000 new ordinary shares of \$0.10 each to be allotted credited as fully paid.

Mr. K. E. Woodgriff is the President and Chief Executive Officer of Marquardt and is a stockholder in CCI. He has agreed that, upon the acquisition of Marquardt, he will sever his connection with CCI and he has entered into a five year service contract with Marquardt, to take effect on completion of the acquisition, to continue to serve as its President and Chief Executive Officer. Under this contract, he will receive a payment of \$500,000 before 31st December 1983. Mr. Woodgriff is currently the holder of 1,900 shares of common stock of CCI, representing approximately 3 per cent. of the issued and outstanding share capital of CCI. CCI has agreed to purchase these shares in exchange for the transfer to Mr. Woodgriff of the 600,000 new ordinary shares of ISC to be allotted to CCI under the acquisition agreement. To the extent that the value of the 1,900 CCI shares may be less than the value of these new ordinary shares, Mr. Woodgriff will have received a benefit which will have been given to him in consideration of his assistance in the formation of the Enlarged Group.

The acquisition agreement is conditional (*inter alia*) upon the implementation of the Offer or Sale referred to herein. Completion of the acquisition is expected to take place on 15th August 1983. The agreement contains warranties and indemnities on the part of CCI as to the financial, trading and taxation position of Marquardt. In addition, CCI and its principal officers have covenanted not to compete with Marquardt for the five years following completion.

Further details of the agreement for the acquisition of Marquardt and the arrangements with Mr. Woodgriff are set out in paragraph 12 of Appendix 5.

BENEFITS OF THE ACQUISITION

The Directors believe that the acquisition of Marquardt will have the following benefits—

1. The acquisition will substantially increase the scale of operations in the USA and will result in a strengthened technology base. Moreover, Marquardt's product range is complementary to that of the Existing Group.
2. The expansion of US operations should enhance ISC's reputation internationally.
3. Marquardt's experience in developing business within the USA will be of value while at the same time the Existing Group's international marketing expertise can be of assistance in developing sales outside the USA for Marquardt's products.
4. Marquardt has a sound balance sheet, a good record of recent profits growth and cash generation and a strong management team. It is proposed that the present management will continue after the acquisition.
5. In the longer term there are significant benefits to be derived from a combination of the Existing Group's predominantly electronics technology with the aerospace and defence manufacturing capabilities of Marquardt.

PRO FORMA STATISTICS AT THE MINIMUM TENDER PRICE

The following pro forma figures illustrate the effect of the acquisition of Marquardt on the Existing Group. They are extracted from the unaudited pro forma statements set out in Appendix 3, which combine the results and net assets of the Existing Group for the year to 31st March 1983 with those of Marquardt for the year to 30th April 1983, as shown in each case by the respective Accountants' Reports. The number of shares used to calculate the pro forma combined earnings per share and combined net assets per share respectively is set out in Appendix 3.

Minimum tender price	125p
Earnings per share	
— Existing Group for the year ended 31st March 1983	\$0.090 (6.0p)
— pro forma combined	\$0.094 (6.2p)
Historic price earnings ratio	
— Existing Group	20.8 times
— pro forma combined	20.3 times
Net assets per share	
— Existing Group as at 31st March 1983	\$0.64 (42p)
— pro forma combined	\$0.85 (56p)
Forecast gross dividend yield on the basis of the forecast total dividends of \$0.02 (and related tax credit) per share for the year ending 31st March 1984	1.5 per cent.

To the extent that the striking price is higher than the minimum tender price, the pro forma combined earnings per share will increase, as illustrated in Appendix 3.

For the purpose of calculating earnings and net assets per share and dividend yield, dollar amounts have been translated to their sterling equivalents at the rate of \$1.51 = £1.00.

The above figures should be read in conjunction with the pro forma statements in Appendix 3.

THE OFFER FOR SALE

Of the 34,600,000 "A" ordinary shares now being offered for sale, 24,344,000 are new shares to be issued by ISC to raise, at the minimum tender price, £28.7 million, after expenses, to finance the purchase of Marquardt. If such shares are subscribed at above the minimum tender price, the additional proceeds of the Offer for Sale will be used for the general working capital purposes of the Enlarged Group.

The balance of 10,256,000 "A" ordinary shares is being sold by six shareholders of ISC. Mr. Guerin is disposing of 3 million of these shares and three other directors of ISC or its subsidiaries are disposing of a total of 1,466,000 shares. Mr. Guerin is selling shares in order to reduce borrowings which were assumed or incurred by him in connection with the reconstruction which led to the establishment of the present group structure in October 1982. After the Offer for Sale, he will continue to have a beneficial interest in 21,200,944 ordinary shares which will represent 15.3 per cent. of all the shares in issue after the Offer for Sale. The three other directors are selling funds to the same reconstruction, to repay borrowings or to settle other liabilities arising out of the same reconstruction. All the vendors' shareholders, as well as the Directors of ISC who are not selling shares and Mr. Woodgriff, have undertaken not to sell any shares, or further shares, before 17th August 1984 without the consent of Robert Fleming.

If it becomes apparent that the conditions precedent to completion of the agreement for the acquisition of Marquardt cannot or will not be satisfied and that the acquisition will not therefore be completed on 15th August 1983, the Offer for Sale will be terminated and all application moneys will be returned to applicants without interest, by post at the risk of the persons entitled thereto. Moneys to be returned will be posted by not later than 18th August 1983.

DIVIDENDS

The Directors of ISC expect, in the absence of unforeseen circumstances, to recommend total dividends of \$0.02 per share in respect of the year ending 31st March 1984. This is equivalent to \$0.04 per share prior to the scrip issue authorised on 5th August 1983. A dividend has been declared of \$0.0225 per share for the period ended 31st March 1983, payable to ordinary shareholders on the Register at the close of business on 13th July 1983. Had the share capital of ISC in existence at 31st March 1983 been in existence throughout the year ended on that date, the Directors would have recommended a dividend of \$0.0325 per share. All dividends are stated exclusive of the related tax credit.

It is expected that in future years interim and final dividends will be payable in January and August respectively. All dividends will be declared in dollars but will be paid in sterling unless shareholders elect to receive payment in dollars.

CURRENT TRADING AND PROSPECTS

The results both of the Existing Group for the year to 31st March 1983 and of Marquardt for the year to 30th April 1983 exceed the corresponding figures for the previous accounting periods. The Existing Group's sales increased to \$107.5 million (from \$76.8 million) and pre-tax profits to \$15.1 million (from \$5.3 million) while Marquardt's sales increased to \$66.2 million (from \$50.5 million) and pre-tax profits to \$5.8 million (from \$4.1 million). Furthermore the Existing Group's order book includes contracts spanning several years and new orders obtained in Europe and the Far East, stood at the record level of \$160 million at 31st March 1983. Marquardt's order book at 30th April 1983, similarly at a record level, was \$101 million.

The Directors of ISC believe that the acquisition of Marquardt will result in an enlarged group with considerable growth prospects both within the USA and elsewhere in the world. The Directors of ISC continue to look forward to the future with confidence.

By order of the Board

JAMES H. GUERIN

Executive Chairman

APPENDIX 1

ACCOUNTANTS' REPORT ON ISC

The Directors,
International Signal & Control Group PLC,
17a Curzon Street,
London W1V 7FE

and
Robert Fleming & Co. Limited,
8 Crosby Square,
London EC2A 6AN

Gentlemen,

International Signal & Control Group PLC ("ISC") was incorporated in England and Wales on 7th September 1982. ISC Electronics Inc. ("Electronics") was incorporated in Delaware on 27th August 1982 and acquired the entire issued share capital of International Signal & Control Corp ("Corp") and its investments in its subsidiaries including the 50.2 per cent. holding of Corp in ISC London PLC ("ISCL"), formerly ESI London PLC, on 21st September 1982. On the same date, ISC acquired a majority of the share capital of Electronics by an issue of shares of ISC. Following the completion of the offer for sale, published on 18th October 1982, ISC acquired the remaining shares in ISCL and in Electronics. ISC thus controls the entire issued share capital of Corp, ISCL and the other corporations then owned by Electronics. For the share capital of certain subsidiaries of Electronics which, with certain assets owned by Corp, together called "the Commercial Operations", were sold at net book value to Parent Enterprises, Inc. (a company of which Mr. J. H. Guerin is the sole shareholder). The Commercial Operations were not involved in the mainstream business activities of Electronics or its subsidiaries. For the purpose of this report, ISC and its subsidiaries, excluding the Commercial Operations, are referred to as the "Existing Group".

We have examined the consolidated financial statements of ISC for the year ended 31st March 1983 and of Corp for the four years ended 31st March 1983 which include the results of ISCL since its incorporation on 14th August 1979. Our examination of these statements has been in accordance with generally accepted auditing standards. We have made adjustments to the consolidated financial statements principally—

- (i) to eliminate the results of subsidiary companies and divisions, including the Commercial Operations, disposed of during the period under review; and
- (ii) to reflect the elimination of the minority interest in ISCL.

We have audited the consolidated financial statements of ISC for the year ended 31st March 1983. Messrs. Peat, Marwick, Mitchell & Co., Philadelphia, Pennsylvania, acted as auditors of the consolidated financial statements of Corp for the two years ended 31st March 1982. Prior to that date the consolidated financial statements of Corp were audited by another firm. The auditors of ISC for the period from its incorporation to 31st March 1981 and the year ended 31st March 1982 were a firm other than ourselves.

The historical cost financial information which follows has been prepared on the basis of the accounting policies of ISC set out below, which are in accordance with UK generally accepted accounting principles, and from the audited consolidated financial statements of ISC and Corp after making such adjustments as we consider appropriate. The financial information has been presented in US dollars as this represents the principal operating currency of the Existing Group. In our opinion this financial information gives a true and fair view of the state of affairs of ISC and the Existing Group at 31st March 1983 and of the profits and sources and applications of funds of the Existing Group for the five years ended on that date.

In our opinion the current cost accounts set out below have been properly prepared in accordance with Statement of Standard Accounting Practice No. 16 on the basis of the accounting policies and methods set out below.

No audited accounts have been made up for ISC or any of its subsidiaries in respect of any period subsequent to 31st March 1983.

PROFIT AND LOSS ACCOUNTS OF THE EXISTING GROUP

	1979	1980	1981	1982	1983
Sales	26,597	36,519	51,586	75,752	107,480
Cost of sales	(19,763)	(27,575)	(37,050)	(56,227)	(76,404)
Gross profit	6,834	8,944	14,536	19,525	31,076
Overheads	(3,088)	(3,300)	(6,888)	(8,319)	(12,438)
Other operating income	191	329	315	154	124
Operating profit	3,937	5,973	7,963	11,360	18,762
Interest receivable	100	135	110	616	616
Interest payable	(1,475)	(2,472)	(3,853)	(6,042)	(4,382)
Profit on ordinary activities before taxation	2,562	3,636	4,220	5,934	15,096
Taxation on ordinary activities	4	(449)	(327)	(1,378)	(1,856)
Profit on ordinary activities after taxation	2,558	3,187	3,893	4,556	13,240
Extraordinary items	5	—	—	—	755
Profit attributable to equity shareholders	2,563	3,187	3,893	4,556	13,995
Dividends	6	—	—	—	(1,327)
Profit retained	2,557	3,187	3,893	4,556	12,668
Earnings per share	7	—	—	—	4.8 cents

BALANCE SHEETS

The balance sheet of ISC and the consolidated balance sheet of the Existing Group at 31st March 1983 are as follows—

	1979	1980	1981	1982	1983
Fixed assets:					
Tangible	—	—	—	—	3,715
Intangible	—	—	—	—	625
Investments and other non-current	—	—	—	3,871	190
	—	—	—	3,871	4,530
Current assets:					
Stocks	9	—	—	2,125	—
Contract work in progress	10	—	—	14,834	—
Due from subsidiaries	11	28,238	—	—	—
Debtors	12	627	—	63,158	—
Deposits and prepayments with suppliers	13	14,905	—	20,187	—
Cash	14	—	—	16,245	—
	43,229	—	—	116,379	—
Creditors—amounts due within one year	15	(3,280)	—	(21,955)	—
Advance contract deposits	16	—	—	(24,039)	—
Net current assets	40,949	—	—	70,395	—
Total assets less current liabilities	84,178	—	—	74,930	—
Creditors—amounts due after more than one year	17	—	—	—	279
Deferred taxation	18	—	—	—	—
	44,566	—	—	—	71,565
Capital and reserves:					
Share capital	19	5,878	—	5,878	—
Share premium account	20	39,079	—	39,079	—
Non-distributable reserves	21	—	—	11,573	—
Profit and loss account	22	212	—	15,233	—
	44,566	—	—	71,565	—

STATEMENTS OF SOURCE AND APPLICATION OF FUNDS OF THE EXISTING GROUP

	1979	1980	1981	1982	1983
Source of funds:					
From operations:					
— Profit on ordinary activities before taxation	1,882	1,545	4,185	5,518	35,086
— Extraordinary items before taxation	—	—	—	—	732
— Depreciation	254	317	400	466	732
— Amortisation of deferred charges	145	187	246	344	517
Funds derived from operations	2,281	2,049	4,831	6,228	47,665
Sales of shares, common stock and warrants and	—	81	10,577	3,072	47,606
Increases in long term borrowings	1,466	1,651	2,228	—	—
Net book value of tangible fixed asset disposals	263	133	211	84	—
Other	—	249	2	176	883
	4,070	4,163	28,457	9,204	66,145

	1979	1980	1981	1982	1983
Application of funds:					
Decrease in long term borrowings	(1,118)	(1,200)	(639)	(1,062)	(19,225)
Purchase of tangible fixed assets	(28)	(1,178)	(585)	(38)	(1,660)
Payment of expenses of Other for Sale	—	—	—	—	(4,346)
Purchase of warrants for company shares	—	—	—	—	(5,684)
Dividends paid	(69)	—	(733)	(431)	(1,715)
Taxation paid	(280)	(60)	(112)	(68)	(387)
Other	(2,094)	(2,488)	(2,279)	(2,127)	(31,331)
	(3,669)	(4,006)	(3,369)	(3,306)	(34,814)
Changes relating to discontinued operations	(1,893)	1,660	24,630	13,201	34,814
Movement in working capital	(382)	1,231	3,136	5,281	4,086
Stocks and contract work in progress	3,179	5,845	15,163	7,104	41,736
Debtors, deposits and prepayments	(3,880)	(1,171)	(1,395)	5,405	(29,580)
Trade creditors, accruals and advance contract deposits	(1,108)	6,706	(16,500)	18,201	75,874
Movement in net liquid funds	(148)	907	2,584	(2,960)	15,267
Cash	(437)	(5,829)	5,146	(4,139)	3,353
Overdrafts and short term loans	(585)	(5,045)	7,730	(5,620)	19,140
	(1,669)	1,660	24,630	17,201	34,814

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Financial statement presentation

The foregoing financial statements have been prepared in US dollars on the historical cost basis. All significant intra-company transactions and balances have been eliminated on consolidation.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Contracts

Profit recognition on contracts is determined by reference to each production programme. A programme consists of all executed contracts for the manufacture or delivery of specific products or services. Where additional contracts are subsequently added to a programme, the programme total contract value is increased accordingly. Estimated costs to complete the required number of units set to be delivered are recalculated including the newly added units, and overall programme profits are estimated. The amount of estimated profits recognised at each accounting date is determined by reference to the proportion of the costs incurred, equivalent units completed or labour hours up to that date, compared to the total estimated programme costs, equivalent units or labour hours. This method of accounting for contracts has the effect of equalising profit margins, including the impact of setting up and learning costs, over the whole period of the programme. Estimated losses on programmes are provided in full as soon as they are identified. Sales are recorded as billings are made which is on a regular basis consistent with programme costs. Variations from contract specification and claims are recognised as additional sales when sufficient information is available to determine probable acceptance by the customer and the determination of a reasonable estimate of the additional sales.

Depreciation of fixed assets

Depreciation is provided based on the following estimated useful lives of assets using the straight-line method—

	Average estimated useful life
Plant, machinery and tooling	3 to 7 years
Transportation and office equipment	3 to 7 years
Leasehold improvements	10 years

Leases

Finance leases, that is those leases where rights approximating to ownership of the assets are vested in Existing Group companies, are recorded in the balance sheet as assets and depreciated over their estimated useful lives. Costs on operating leases are charged against profits as they accrue.

International Signal & Control Group PLC

Name of company and country of incorporation	Description of shares held	Percentage of nominal value of issued shares held	Business
ISC Electronics Inc. (Delaware, USA)	Ordinary 50.10 shares	100%	Holding company
International Signal & Control Corp. (Delaware, USA)	Ordinary 50.10 shares	100%	Manufacturing
ISC London PLC (formerly ESI London PLC) (England)	Ordinary 25p shares	49.9%	Marketing and component sales
ISC Technologies Inc. (formerly ESI-ISC DISEC Inc.) (Delaware, USA)	Ordinary 50.10 shares	100%	Export marketing
ISC Europe Ltd. (Delaware, USA)	Ordinary 210p shares	100%	Export marketing

In order to maintain the security clearance with the US Defense Department, Electronics has granted voting control over the shares of Corp in favour of three persons approved by that Department who are also directors of Corp.

9. Stocks

Stocks at 31st March, 1983 were as follows:

	ISC	The Existing Group
Finished goods	\$100	\$100
Raw materials	1,275	1,275
	1,375	1,375

10. Contract work in progress

Contract work in progress at 31st March, 1983 was arrived at as follows:

	ISC	The Existing Group
Cost	\$100	\$100
Attributable profit	67,521	67,521
	67,621	67,621
Less progress payments	(70,004)	(70,004)
	14,584	14,584

11. Debtors

Debtors at 31st March, 1983 were as follows:

	ISC	The Existing Group
Trade debtors	\$100	\$100
Due from related parties	60,851	60,851
Other debtors	329	329
	61,179	61,179
	61,179	61,179

\$319,000 of the amount due from related parties represents balances due from Parent Enterprises Inc. 14 company of which Mr. J. H. Goss is the sole shareholder. The remainder of the balance refers to US taxation payments made by a US subsidiary on behalf of S. M. Finkell Inc. (\$20,000) and C. H. Dreyer (\$19,000).

12. Cash

Cash at 31st March, 1983 comprised the following:

	ISC	The Existing Group
Cash at bank and in hand	\$100	\$100
Cash on deposit	14,948	14,948
	15,048	15,048

Cash on deposit at 31st March, 1983 included \$14,748,000 held on interest bearing fixed deposit as security in respect of advance payment guarantees and performance bonds relating to certain contracts.

13. Creditors—amounts due within one year

Creditors due within one year at 31st March, 1983 were as follows:

	ISC	The Existing Group
Bank overdrafts	\$100	\$100
Long term loans—amounts due within one year (see note 14)	2,957	2,957
Trade creditors	4,833	4,833
Taxation and social security	1,943	1,943
Accruals	83	83
Dividend payable	1,254	1,254
Lease finance obligations	3,260	3,260
	21,955	21,955

Included in the above figures for the Existing Group are amounts secured at 31st March, 1983 of \$561,000.

Taxation and social security comprises:

	ISC	The Existing Group
UK corporation tax	\$100	\$100
US Federal and State taxes	1,943	1,943
Social security	41	41
	1,943	1,943

14. Creditors—amounts due after more than one year

Creditors of the Existing Group due after more than one year at 31st March, 1983 were as follows:

	Total	Current	Long term
Bank revolving credit facilities	\$100	\$100	\$100
Other loans	183	183	183
Lease finance obligations	348	348	348
	4,131	4,131	4,131

Amounts secured included above:

	Total	Current	Long term
Between one and two years	\$100	\$100	\$100
Between two and five years	339	339	339
	4,399	4,399	4,399

The future minimum lease payments to which the Existing Group was committed at 31st March, 1983 were as follows:

Years ending 31st March	Finance lease	Operating lease
1984	\$100	\$100
1985	248	248
1986	157	157
1987	49	49
1988	20	20
1989 and after	1,083	1,083
Less interest element	(185)	(185)
	948	948

15. Deferred taxation

The deferred taxation assets of ISC and of the Existing Group at 31st March, 1983 arose as follows:

	ISC	The Existing Group
Short term timing differences	\$100	\$100
Other timing differences	183	183
Advance corporation tax recoverable	(508)	(508)
	(225)	(225)

No deferred taxation has been provided on these earnings which it is intended should be permanently retained in the DISC (see note 4).

16. Share capital

The authorised share capital of ISC at 31st March, 1983 comprised 75 million ordinary shares of \$0.10 each. The number of shares in issue at that date, all fully paid, amounted to 55,748,892. Following the 1-for-1 scrip issue, the number of shares in issue is 111,498,784.

17. Guarantees and other financial commitments

(a) Contingent liabilities

Contingent liabilities of the Existing Group not otherwise provided for at 31st March, 1983 were as follows:

Nature	Type of security	Amount
Advance payment guarantees:		
Unsecured	Bank deposits	15,423
Secured		5,513
		20,936
Performance bonds:		
Unsecured	Bank deposits	784
Secured		5,832
		6,616
Letters of credit:		34,776

(b) Pension commitments

The pension plan covers substantially all full-time employees whose entitlement to benefits becomes vested after five years of service. The pension costs, which include amortisation of unfunded past service costs over a period of 30 years, are funded as they accrue. An actuarial valuation of the plan at 31st April, 1982, the most recent valuation available, indicated that net assets available for benefits exceeded the actuarial present value of vested and non-vested benefits.

CURRENT COST ACCOUNTS

The following summarizes the consolidated current cost profit and loss account for the year ended 31st March, 1983 and the consolidated current cost balance sheet at that date. No comparative figures are given for the profit and loss account as the information is not readily available.

Accounting basis

Current cost accounts have been prepared for the Existing Group in accordance with the requirements of Statement of Standard Accounting Practice No. 16. Fixed assets have been revalued by reference to appropriate US Department of Labor published indices with the exception of intangible fixed assets and investments, which are stated at the amounts included in the historical cost accounts. The current cost operating adjustments have been calculated by the averaging method with reference to the appropriate US Department of Labor indices. In arriving at the cost of sales adjustment and in relating stocks to current replacement cost, only stocks of raw materials and finished goods have been included. Contract work in progress is valued at monetary working capital.

Profit and loss account

	1979	1980	1981	1982	1983
Turnover	\$100	\$100	\$100	\$100	\$100
Operating profit shown in the historical accounts	107,450	107,450	107,450	107,450	107,450
Current cost operating adjustments	(17,782)	(17,782)	(17,782)	(17,782)	(17,782)
Interest payable less recoverable	(8,655)	(8,655)	(8,655)	(8,655)	(8,655)
Less: Gearing adjustment	545	545	545	545	545
Current cost profit on ordinary activities before taxation	13,645	13,645	13,645	13,645	13,645
Taxation	(6,536)	(6,536)	(6,536)	(6,536)	(6,536)
Current cost profit on ordinary activities after taxation	7,109	7,109	7,109	7,109	7,109
Extraordinary income	725	725	725	725	725
Extraordinary income after taxation	(4,246)	(4,246)	(4,246)	(4,246)	(4,246)
Transferred to share premium account	4,346	4,346	4,346	4,346	4,346

Current cost profit for the financial year attributable to equity shareholders

Dividends paid and proposed

Retained current cost profit for the financial year

Current cost earnings per share

Balance sheet

Fixed assets

Not current assets:

Stocks

Monetary working capital (net)

Dividend payable

Other current liabilities

Total assets less current liabilities

Creditors—amounts falling due after more than one year

Deferred taxation and other non-current assets

Capital and reserves:

Share capital

Share premium account

Non-distributable reserves

Profit and loss account

Current cost reserve

Yours faithfully,

Post, Marwick, Mitchell & Co.

Chartered Accountants

1 Fiddle Dock,

London EC4V 3PD

8th August, 1983

Robert Fleming & Co. Limited,

8 Crosby Square,

London EC2A 5AN

Gentlemen,

We have examined the financial statements of The Marquardt Company ("Marquardt") for the five years ended 30th April, 1983. The financial statements for the period under review have been audited by a firm other than ourselves.

The financial information which follows has been prepared from the audited financial statements of Marquardt, after making such adjustments as we consider appropriate, and on the basis of the accounting policies of Marquardt set out below, which are in accordance with UK generally accepted accounting principles. In our opinion, the financial information gives a true and fair view of the state of affairs of Marquardt at 30th April, 1983 and of the profits and sources and applications of funds for the five years ended on that date.

Marquardt has a wholly owned subsidiary, Marquardt International Sales Company, which was incorporated in Delaware on 14th January, 1983. At 30th April, 1983 the subsidiary had issued 25 shares of \$100 each, payment for which remained outstanding at that date. The subsidiary has not traded, no accounts have been drawn up and, accordingly, no consolidated accounts have been prepared.

No current cost accounts have been produced because Marquardt is incorporated in the United States and therefore has not been required to produce information under Statement of Standard Accounting Practice No. 16.

No audited accounts of Marquardt have been made up in respect of any period subsequent to 30th April, 1983.

PROFIT AND LOSS ACCOUNTS OF MARQUARDT

	1979	1980	1981	1982	1983
Sales	\$100	\$100	\$100	\$100	\$100
Cost of sales	(61,150)	(61,150)	(61,150)	(61,150)	(61,150)
Gross profit	38,850	38,850	38,850	38,850	38,850
Overheads	(5,404)	(5,404)	(5,404)	(5,404)	(5,404)
Other operating income	918	496	407	392	392
Operating profit	4,270	3,543	3,239	3,270	3,101
Interest payable	(142)	(142)	(142)	(142)	(142)
Interest receivable	(833)	(847)	(853)	(401)	(291)
Profit before taxation	3,557	2,556	2,523	3,279	2,668
Taxation	(1,780)	(1,400)	(1,400)	(1,465)	(1,849)
Profit attributable to equity shareholders	1,807	1,156	1,123	1,714	819

BALANCE SHEET OF MARQUARDT AT 30TH APRIL, 1983

	1979	1980	1981	1982	1983
Fixed assets:					
Tangible	\$100	\$100	\$100	\$100	\$100
Intangible	—	—	—	—	—
Current assets:					
Contract work in progress	7	46	46	46	46
Debtors	3,442	3,442	3,442	3,442	3,442
Deposits and prepayments with suppliers	—	—	—	—	—
Cash	15,060	15,060	15,060	15,060	15,060
Creditors—amounts due within one year	(13,393)	(13,393)	(13,393)	(13,393)	(13,393)
Net current assets	47,825	47,825	47,825	47,825	47,825
Total assets less current liabilities	47,825	47,825	47,825	47,825	47,825
Creditors—amounts due after more than one year	—	—	—	—	—

Capital and reserves:

Share capital

Non-distributable reserves

Profit and loss account

Less: Amount due from Marquardt's parent company

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Profit before taxation

This is stated:	1979	1980	1981	1982	1983
after charging:					
Depreciation	1,778	1,778	1,778	1,778	1,778
Leasing and hire charges	683	683	683	683	683
after crediting:					
Rental income	48	67	73	91	106
Amortisation of deferred income	270	270	270	270	270

The charge for depreciation has been recasted to reflect the valuation of fixed assets made by the Directors of ISC (see note 6).

The deferred income arose from a payment made by the US Government

International Signal & Control Group PLC

PRO FORMA STATEMENT OF COMBINED NET ASSETS

	Existing Group at 31st March 1983	Marquardt Group at 30th April 1983	Combined
Fixed assets:			
Tangible	3,715	44,793	48,508
Intangible	625	67	692
Investments and other non-current	190	190	190
	4,530	44,660	49,190
Current assets:			
Stocks	2,125	2,125	4,250
Contract work in progress	14,534	46	14,580
Debtors	63,185	9,442	72,627
Deposits and prepayments with suppliers	1,570	1,570	3,140
Cash at bank, in hand and on deposit	16,245	3,598	19,843
	116,279	15,060	131,339
Creditors—amounts due within one year	(21,965)	(12,385)	(34,350)
Advance contract deposits	(24,039)	—	(24,039)
Net current assets	70,275	2,665	72,940
Total assets less current liabilities	74,803	47,525	122,328
Creditors—amounts due after more than one year	(8,519)	(6,350)	(14,869)
Deferred taxation	—	—	278
Net assets	71,284	44,653	115,937
Net assets per share	64 cents	85 cents	74 cents

The pro forma statement of combined net assets comprises the summation of the consolidated net assets of the Existing Group at 31st March 1983 and the net assets of Marquardt at 30th April 1983.

The combined net assets of the Existing Group and Marquardt have been adjusted on the assumption that the estimated net proceeds of the Offer for Sale of new "A" ordinary shares amount to \$42.5 million and are used to acquire the entire issued share capital of Marquardt, and on the basis that the amount due to Marquardt from its former parent at 30th April 1983 will have been waived before completion of the acquisition of Marquardt.

Net assets per share for the Existing Group at 31st March 1983 are calculated on the basis of net assets of \$71,284,000 and shares in issue at that date, adjusted for the 1-for-1 scrip issue, of 111.5 million. Combined net assets per share are calculated on the basis of combined net assets of \$115,937,000 and 136.4 million shares, being the number of shares in issue following the Offer for Sale.

APPENDIX 4

APPRAISERS' VALUATION

The Directors of International Signal & Control Group PLC, 150 East Colorado Boulevard, Pasadena, California 91105, USA, on July 28, 1983.

We have made an investigation and appraisal of the plant, property and equipment of The Marquardt Company ("Marquardt"). These assets were appraised by us in connection with the planned purchase by ISC Electronics Inc., your wholly owned United States subsidiary, of the entire issued share capital of Marquardt. The appraisal was made for the purpose of expressing an opinion of the fair market value of these assets as of April 30, 1983 to serve as a guide in financial reporting on the assets under the UK Statement of Standard Accounting Practice No. 14.

The term "fair market value" as used in this letter is defined as the estimated amount at which the property would exchange between a willing buyer and a willing seller, neither being under compulsion to buy or to sell, each having reasonable knowledge of all relevant facts, with equity to both, and with both buyer and seller contemplating retention of the facilities for continued use as an operating business enterprise.

The property appraised consists of land, buildings and improvements and plant and equipment (including office furniture and equipment and vehicles) associated with a going concern. Supplies, materials on hand, and other assets of a current nature and intangible assets, if any are not included in this report. The assets described above are reported to us as the property of Marquardt.

Marquardt's facility is located in Van Nuys, California in the Los Angeles Basin. The manufacturing plant is located on 56.3 acres of land and comprises approximately 480,000 square feet of buildings.

In arriving at our opinion of value, we inspected the plant, property and equipment, investigated local market conditions, interviewed members of Marquardt's management and work force, and took into account other relevant matters, including financial information provided by Marquardt and other pertinent industry data, in forming our conclusions. We have not carried out a structural survey of the assets appraised and no allowance is made for expenditure which such a survey may reveal is required.

It is our opinion, based on the investigation and analysis outlined above, that the fair market value of the property appraised, as of April 30, 1983, is FIFTY MILLION DOLLARS (\$50,000,000). This amount is distributed as follows:

The Marquardt Company Summary of Fair Market Value	
Asset Description	Fair Market Value
Land	\$18,370,000
Buildings and Improvements	\$9,880,000
Plant and Equipment	\$21,750,000
Grand Total	\$50,000,000

We have made no investigation of and assume no responsibility for the title to or any liabilities against the property appraised.

None of the data may be disseminated to the public through advertising, public relations, news or any other means of communication without prior written consent and approval of The American Appraisal Company.

Respectfully submitted,

THE AMERICAN APPRAISAL COMPANY
By M. G. Koeper
Vice President

APPENDIX 5

STATUTORY AND GENERAL INFORMATION

1. SHARE CAPITAL

(a) Share capital of ISC

	Issued or to be issued fully paid or credited as fully paid
Authorized	
16,000,000	10,138,778
Notes:	3,460,000

(i) ISC was incorporated on 7th September, 1982, with an authorised share capital of 100,000,000 ordinary shares of \$1.00 each of which 2 shares were issued for cash at par. On 9th September, 1982, each ordinary share of \$1.00 was sub-divided into 10 ordinary shares of \$0.10 each and 99,998,000 of such shares, which were then unissued, were cancelled resulting in an authorised share capital of \$7,500,000. On 21st September, 1982, 14,100,000 ordinary shares were issued, credited as fully paid, as consideration for the acquisition of a majority interest in ISC Electronics Inc. ("Electronics") from Mr. J. H. Guerin. Pursuant to an offer for sale of *inter alia* 17,038,446 ordinary shares of ISC, made in October 1982 at a price of 150p per share, all shares were allotted at that price. After completion of that offer for sale, 36,267,038 ordinary shares were issued, credited as fully paid, as consideration for the acquisition of the balance of the issued share capital of Electronics and 12,450,000 ordinary shares were issued, credited as fully paid, as consideration for the acquisition of the whole of the issued share capital of ISC London PLC ("ISCL") not then owned by ISC or its subsidiaries.

(ii) On 31st March, 1983, the date to which the latest audited accounts of ISC were made up, ISC had an authorised share capital of \$7,500,000 divided into 75 million ordinary shares of \$0.10 each, of which 55,746,892 were issued fully paid or credited as fully paid.

(iii) On 8th August, 1983, the authorised share capital was increased to \$16,000,000, divided into 160,000,000 ordinary shares and 34,800,000 "A" ordinary shares of which, following a 1-for-1 scrip issue, 101,337,784 ordinary shares and 10,138,778 "A" ordinary shares were issued fully paid or credited as fully paid.

(iv) ISC will issue 24,344,000 new "A" ordinary shares fully paid pursuant to this Offer for Sale.

(v) Upon completion of the acquisition of Marquardt, ISC will issue 600,000 ordinary shares credited as fully paid to CCI, being part of the consideration for the acquisition of Marquardt.

(b) Share capital of Marquardt

Marquardt was incorporated in the state of Delaware, USA, on 28th April, 1974. The share capital of Marquardt is as follows:

	Issued
Authorized	
100,000	1,000

(c) "A" ordinary shares

After 17th February, 1984 the "A" ordinary shares of \$0.10 each of ISC will rank *pari passu* with the ordinary shares in the capital of ISC and will thereupon be redesignated as ordinary shares. Share certificates for "A" ordinary shares will remain valid after 17th February, 1984 but will be exchanged, without charge, for certificates referring to ordinary shares upon application to ISC's Registrars by holders of those shares. All certificates issued after 17th February, 1984 in respect of transfers of former "A" ordinary shares will refer to ordinary shares.

2. SUBSIDIARIES

ISC has the following subsidiaries, all of which are wholly owned:

Date of incorporation	Country of incorporation	Business
14th August, 1979	England	Marketing and component sales
27th August, 1982	Delaware, USA	Holding company
21st January, 1981	Delaware, USA	Manufacturing
14th July, 1975	Delaware, USA	Export marketing
8th November, 1982	Delaware, USA	Export marketing

Marquardt has one subsidiary, Marquardt International Sales Company, which was incorporated in the state of Delaware, USA, on 14th January, 1983. It has an authorised share capital of \$100,000 divided into 1,000 shares of common stock of \$100 each of which 25 shares have been issued for cash, payment for which remains outstanding.

3. DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

The Directors of ISC had, or will have (ignoring "A" ordinary shares for which Mr. Hartley and Mr. Heywood, who intend to apply for such shares, may successfully apply under this Offer for Sale) the following beneficial interests in the share capital of ISC, all of which are interests in ordinary shares of ISC:

	Before scrip issue and Offer for Sale	After scrip issue and Offer for Sale
J. H. Guerin	14,500,473	21,500,944
C. H. Dreyer	828,000	1,440,000
J. M. Pindell	mi	mi
J. G. Hartley	100,000	200,000
S. M. Pindell	7,500	15,000
S. M. Pindell Jr	680,000	800,000
J. K. Zillig	300,000	600,000

Before the scrip issue Mr. Guerin had a non-beneficial interest in 900,000 ordinary shares. After the scrip issue and the Offer for Sale, Mr. Guerin will have a non-beneficial interest in 1,400,000 ordinary shares, being shares registered and to be registered in the name of his sister, Esther Guerin, over which he holds a proxy.

No Director of ISC has or will, on completion of this Offer for Sale, have any interest, beneficial or otherwise, in the share capital of any subsidiary of ISC or of Marquardt or its subsidiary.

Mr. C. H. Dreyer and Mr. J. H. Guerin are partners in ISC Associates which is the landlord under the lease of the premises at 2000 Hampden Road, Lancaster, Pa., USA, and of the hangar at Lancaster Airport, particulars of which are set out in paragraph 6 below. Save as disclosed herein, no Director of ISC has:

(i) any beneficial interest, direct or indirect, in any assets which, since 31st March, 1983 have been or are proposed to be acquired, disposed of by or loaned to ISC or any of its subsidiaries or Marquardt or its subsidiary;

(ii) a material interest in any subsisting contract or arrangement entered into by ISC or any of its subsidiaries or Marquardt or its subsidiary which is or will be significant in relation to the business of ISC, its subsidiaries and Marquardt and its subsidiary taken as a whole.

(iii) The following are details of the service agreements between Directors of ISC and ISC or its subsidiaries together with the current annual remuneration payable thereunder:

Director	Commencement date	Expiry date	Employing company	Nature of appointment	Annual remuneration
J. H. Guerin	1.11.82	31.10.87	Electronics	Chairman and President	\$162,000
C. H. Dreyer	1.11.82	31.10.85	Electronics	Vice-President and Secretary	\$117,000
J. G. Hartley	1.11.82	31.10.85	ISCL	Managing Director	\$56,000
S. M. Pindell Jr	1.11.82	31.10.85	Teek	President	\$140,000
J. K. Zillig	1.11.82	31.10.85	Electronics	Chief Financial Officer	\$127,000

Save as mentioned above, no Director of ISC has a service contract with ISC or any subsidiary thereof, or Marquardt or its subsidiary.

(iv) The aggregate emoluments of the Directors in the period ended 31st March, 1983 were \$208,000 and the emoluments payable to the Directors for the period ended 31st March, 1984 under the arrangements in force at the date hereof are estimated to amount to \$255,000.

4. MAJOR SHAREHOLDINGS

Save for Mr. Guerin's beneficial and non-beneficial interests referred to above which will together represent 16.8 per cent. of the issued share capital of ISC following this Offer for Sale, the Directors are not aware of any person holding or beneficially interested in 5 per cent. or more of the issued share capital of ISC.

5. ACCOUNTS

Full individual accounts of the US incorporated subsidiaries of ISC and of Marquardt and its subsidiary are not required to be delivered to the Registrar of Companies as such companies are not registered under the Companies Act 1948 or earlier applicable legislation.

Full individual accounts relating to the financial period ended 31st March, 1983 in respect of ISC and ISCL have been prepared but have not been delivered to the Registrar of Companies. Subject to this, full individual accounts, relating to each financial period to which the financial information concerning ISCL relates, have been so delivered. The auditors of each such company have made a report under Section 14 of the Companies Act 1967 in respect of each such set of accounts, whether delivered or not delivered, and each such report was an unqualified report within the meaning of Section 43 of the Companies Act 1960.

6. PARTICULARS OF PROPERTIES OCCUPIED BY ISC AND ITS SUBSIDIARIES AND MARQUARDT

The following are the principal business locations occupied by ISC and its subsidiaries and Marquardt:

Address	Area	Approx. sq. ft.	Approx. sq. ft.	Approx. sq. ft.	Approx. sq. ft.	Approx. sq. ft.	Approx. sq. ft.	Approx. sq. ft.	Approx. sq. ft.
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—
3000 Hampshire Road, Lancaster, Pa. 17601, USA	2 acres	56,000 sq. ft.	2,500 sq. ft.	1,000 sq. ft.	10,000 sq. ft.	4,100 sq. ft.	—	—	—

On the date of the properties in the USA the tenant is required to pay, in addition to the current rent stated, all the outgoings of the land, attributable to the relevant property including, in certain cases, interest and taxes.

ISC has options to renew these leases for periods of up to 20 years in each case for a further period of five years at a rental to be determined by the McGraw-Hill Engineering News-Record Building Cost Index.

These premises are expected to be occupied in December, 1983.

These premises are expected to be occupied in September, 1983.

7. SUMMARY OF CERTAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF ISC

The Articles of Association ("the Articles") of ISC contain provisions, *inter alia*, to the following effect:

Share Capital

A shareholder may be required to notify ISC of any interests in ISC's issued share capital pursuant to Section 74 of the Companies Act 1981 and ISC may suspend a shareholder's voting rights should he fail to give ISC the necessary notification within 42 days of being required to do so by ISC or should the Directors not be satisfied that the information given is true and accurate in all respects and ISC has served notice to that effect on the registered holder of the shares.

Quorum

A quorum at general meetings shall be not less than three members present in person or by proxy.

Votes

Subject to the restriction mentioned above and any special rights or restrictions as to voting attached to any shares or in accordance with the Articles, on a show of hands every member present in person and entitled to vote shall have one vote only and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by him. No special rights or restrictions apply at the date hereof.

Untraced Shareholders

ISC may sell the shares of a member or of a person entitled on death or bankruptcy of a member if such member or other person has not cashed warrants or cheques sent by ISC over a period of five years and ISC has not, after giving notice in the Press, received indication of the whereabouts or existence of the member or other person. ISC shall be obliged to account for the proceeds of sale to the person entitled thereto.

Directors

(a) There is no shareholding qualification for Directors of ISC.

(b) The Directors are subject to retirement on reaching the age of seventy years but are eligible for re-election year by year thereafter.

(c) The aggregate fees of the Directors shall not exceed \$75,000 per annum or such higher amount as ISC by ordinary resolution may from time to time determine. Such remuneration shall be divided among the Directors as they shall agree or, in default of agreement, equally. Any Director who renders any special or extra services to ISC may be paid such extra remuneration by way of salary, participation in profits or otherwise as the Directors may determine.

(d) The Directors may from time to time appoint any one or more of them to be the holder of an executive office on such terms and for such period as they may determine. Any Director so appointed to the office of managing director shall not be subject to retirement by rotation and shall receive such remuneration as the Directors may determine.

(e) At every Annual General Meeting, one third of the Directors who are subject to retirement by rotation shall retire from office. A retiring Director shall be eligible for re-election.

(f) Any Director may hold office as a Director or other officer of, or be otherwise interested in, any other company of which ISC is a member or in which ISC is otherwise interested and no such Director shall unless otherwise agreed be liable to account for any remuneration or other benefits receivable by him as a Director or officer of, or by virtue of his interest in, any such other company.

(g) The Directors may confer upon any Director appointed to an executive office any of the powers exercisable by them as Directors, upon such terms and conditions and with such restrictions as they think fit, and may revoke or vary any such powers.

(h) The Directors may establish and maintain any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any present or former employee or Director of ISC, its holding company or subsidiary or predecessors in business provided that, in the case of a Director, he holds or has held an executive position or agreement for service with ISC or such other company as aforesaid, and for the wives, widows, families and dependants of any such persons.

(i) Save as provided in the Articles of Association, a Director shall not vote on any resolution of the Board in respect of any contract or arrangement or other proposal in which he is interested (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through ISC) nor shall he be counted in the quorum at a meeting in relation to any resolution on which he is interested. However, if a Director shall be entitled to vote and be counted in the quorum in respect of any resolution concerning the following matters, namely:

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of ISC or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of ISC or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by ISC or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise however, provided that he together with any person connected with him is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company;

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes;

(vi) any contract arrangement or proposal for the benefit of employees of the Group under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which the scheme or fund relates.

ISC may by ordinary resolution suspend or relax any of these provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of these provisions.

Restrictions on Transfer

The Directors shall not register any person as a holder of a share unless they have been furnished with a declaration signed by or on behalf of the prospective holder stating whether or not such registration would result in such share being held by a North American Person.

Borrowing Powers

The Directors shall restrict the borrowings of ISC so as to secure that, save with the previous sanction of an ordinary resolution, no money shall be borrowed if the aggregate principal amount outstanding of all moneys borrowed by the Group (including inter-group borrowings) then exceeds or would as a result of such borrowing exceed an amount equal to twice the aggregate of the amount paid up on the share capital of ISC and the amount standing to the credit of the consolidated capital and revenue reserves of ISC as shown by the latest audited consolidated balance sheet of ISC but excluding any sum or sums of money intended to be applied and actually applied within six months of the date of borrowing in the repayment (with or without premium) of any moneys then already borrowed or secured and then outstanding all of which shall be subject to such adjustment as may be necessary in respect of any variation in the paid up share capital or consolidated capital reserves of ISC since the date of its latest audited balance sheet or such adjustment as the auditors consider necessary. Amounts borrowed in respect of contracts to the extent of credit insurance thereon shall be deemed not to be borrowed moneys.

Liquidation

The capital of ISC consists of ordinary shares and "A" ordinary shares. In the event of liquidation, all shareholders will rank *pari passu* in respect of the proceeds of liquidation, if any, after all liabilities of ISC have been met.

8. GENERAL MEETINGS OF ISC

The Annual General Meeting in each year must be held within seven months following the close of each accounting reference period of ISC. Extraordinary General Meetings may be convened at any time by the Directors or may be requisitioned by shareholders holding not less than one-tenth of the paid up share capital carrying voting rights. Notice of all general meetings will be posted to shareholders at their registered address giving the time and place of the meeting and the business to be transacted.

9. REPORT AND ACCOUNTS OF ISC

The Annual Report and Accounts and any interim statements of ISC will be sent to shareholders at their registered address. Copies may be obtained from The Royal Bank of Scotland plc, Registrars' Department and Banque Internationale a Luxembourg S.A.

10. TRADING IN ISC SHARES ON THE LUXEMBOURG STOCK EXCHANGE

Trading in ISC shares on the Luxembourg Stock Exchange will be in accordance with its rules and regulations and subject to the payment of normal brokerage fees. A notice of ISC shares when instructing that broker, will have to be accompanied by a share transfer form. Brokers are required to check the identity and legal capacity of both purchasers and sellers. Every Wednesday, ISC's transfer agent in Luxembourg will register transfers of ISC shares made on the Luxembourg Stock Exchange during the preceding week and will send, without delay, a new share certificate to the purchaser's broker and a confirmation card to the selling broker; if appropriate, with a certificate for any ISC shares which have not been included in the sale, thereby informing them of the completion of the transfer. The brokers will settle the bargain within 3 days of the receipt of the new certificate and confirmation of completion.

11. CONSENTS

Messrs. Peat, Marwick, Mitchell & Co. have given and have not withdrawn their written consent to the issue of this document with the inclusion therein of their Reports and the references to them in the form and content in which they respectively appear. The American Appraisal Company has given and has not withdrawn its written consent to the issue of this document with the inclusion therein of its Report and the references to it in the form and content in which they respectively appear.

12. SUMMARY OF THE AGREEMENT FOR THE ACQUISITION OF MARQUARDT AND ARRANGEMENTS WITH MR. WOODGRIFT

Agreement for the acquisition of Marquardt:

(a) Parties

(i) CCI Corporation ("CCI")

(ii) ISC Electronics Inc. ("Electronics")

(b) Purchase consideration and escrow agreement

The consideration for the acquisition of the entire issued share capital of Marquardt is the cash sum of \$43.5 million ("Cash Purchase Price") and the allotment to CCI of 600,000 ordinary shares of \$0.10 each of ISC credited as fully paid ("Stock Purchase Price"). The Cash Purchase Price is payable as to \$38.5 million to CCI at completion, the balance of \$4 million being payable at completion to an Escrow Agent to be paid by such Agent (subject to certain conditions) to CCI without interest on the first anniversary of completion. Interest is payable to CCI at Manufacturers Hanover Trust Company's prime rate on \$38.5 million from 28th July, 1983 until completion.

The Stock Purchase Price is subject to the restriction that CCI is required to apply the same in acquiring from Mr. K. E. Woodgrift his holding of 1,900 shares of common stock of CCI

APPOINTMENTS

New chief at chemical association

British Chemical Engineering Contractors Association: Mr A E S Clifford, chief executive of Petrocarbon Development, has been elected as chairman and Mr D Gorton, commercial director of Davy McKee (London), as deputy chairman.

Halcrow-JLG: Mr J P Bedford has been appointed managing director. Mr A R Hardy, the former managing director, remains on the board of Halcrow-JLG and takes up new duties as director, business development, for the Sir William Halcrow and Partners Group at Shortlands, Hamersley.

Robert Jenkins (Holdings): Mr John Oakley, former deputy chairman, has been appointed chairman. He replaces Mr A Jenkins, who will remain a non-executive director.

Harrisons & Crossfield: Mr C Gill becomes secretary. Celia de Nicol Holladay has been appointed as director of health care marketing.

Datasolve: Mr Keith Harpham, previously general manager, commercial products, has become a director.

Tyzack and Partners: Miss Daphne Silvester has been appointed partner.

Pressac Holdings: Mr Michael King has been appointed secretary of the company and its subsidiaries.

Officescape: Mr Guy Bins and Mr Robert Hall have joined the group's board of directors.

British Sports and Allied Industries Federation: Mr Arnold Robinson of A W Phillips and Mr David Cowper of Freewheelers Leisure Products have been elected chairmen of the export group and skating group respectively.

S. Simpson: Mr Johnny Mengers, managing director and deputy chairman, has been appointed chairman.

Banque Nationale de Paris plc: Mr Jacques Rambosson has become managing director on the retirement of Mr Michel Berger.

INVESTORS' NOTEBOOK • USM REVIEW

Warm welcome awaits Real Time

In less than seven years Real Time Control, Britain's biggest supplier of electronic point-of-sale systems, has built up a virtual monopoly among the big cash-and-carry wholesalers and is now turning its attention to the high street retailers.

As part of the build-up to its assault on some of the bigger supermarket chains, the group is planning to join the Unilever Securities Market, where it is certain to be given the red carpet treatment.

RTC has already been given the seal of approval by brokers Simon & Coates, who will be placing around 25 per cent of the equity amounting to 1.75m shares at 148p a share. This value is a 20 per cent discount on the current price of £103m, and puts it on an historic p/e of 25.1.

The company was formed in 1971 by Mr Barney Carroll, chairman, who did his ground-work with IBM and traded as systems consultant in real time applications.

In the mid 1970s RTC decided to concentrate on point-of-sale systems for cash-and-carry stores, which until then had been a market dominated by the Japanese.

Then in 1980 the group went into manufacturing with the acquisition of Rotec from Plessey, but inroads into the leisure market with Agna Caliente met with failure and this company is now being wound down.

Mr Carroll says estimates show there are 707,000 cash points in the UK and 13,000 of them are equipped with point-of-sale terminals. RTC is just under 10 per cent of the

total, amounting to 1,200 terminals. "The profits growth potential for RTC is explosive," he says.

In the past five years pretax profits of RTC have grown from £390,000 to £879,000 with a slight hiccup in 1980 when the group made a loss of £10,000 due to losses at Agna Caliente.

Rotec, has also made losses since its acquisition, but is now back in the black on a monthly basis.

RTC will be joining the USM on a sound financial footing, and in the last annual report and accounts boasted cash of £2.3m.

Although RTC has concentrated much of its efforts on the food retail trade, it is also willing to develop in other areas. At the moment the group is operating a pilot point-of-

scale system in conjunction with GEC for use on gauge forklifts. BP and Tesco have already bought the system and are evaluating it to test its suitability. Simon & Coates estimate that if trials are successful it could open up another sizeable market to RTC.

Dealing are due to start next Monday, and judging by Simon & Coates' previous track record in the USM, the shares are almost certain to open at a premium.

Another of Simon & Coates' USM introductions, Polytex Marine, started trading last week and almost doubled in price overnight. Shares in the marine navigation equipment manufacturer were placed at 11p and at one stage hit 23p.

The tender offer for the group's shares was closed at 217p. Other successful debuts include Aaronic, the fire protection group with interests in the North Sea. These shares were placed at 115p and touched 141p before closing on Friday at 138p.

Thermal Scientific, the thermal analysis group and maker of furnaces for laboratories, also opened at a premium. The 1.3m shares (32.9 per cent of the equity) were placed by brokers Stock Beech at 83p a share and after touching 89p ended the week at 88p.

Mr Max Lewinsohn, chairman of Southwest Resources, continues to keep things on the boil for his shareholders. On Friday the group announced it had secured a six-year prospecting licence, with an option for a mining licence if required, of nearly 1,000 acres in Cornwall from the Duchy of Cornwall.

The area is next to the group's Redmoor Mine licence covering 5,700 acres being developed as a tin and tungsten prospect. At present all the group's profits arrive from its oil and gas interests on both sides of the Atlantic.

Recently Southwest Resources announced a share scrip and a consolidation of four 10p shares into one 40p share to help their marketability in New York, where they are quoted on the over-the-counter market.

Mr Lewinsohn is now rumoured to be looking at the Far East where the group already has substantial interests. The shares ended the week 6p higher at 74 in their new form.

Brokers Panmure Gordon have recently published a circular on the company recommending the shares as a buy. They estimate that the share price does not accurately represent the large tin and ore reserves in Cornwall or the oil and gas potential in the United States, Thailand and the North Sea.

Although the shares must be regarded as speculative, Panmure Gordon regards the risks as limited and the potential rewards "highly significant". For the current year they are looking for pretax profits of £1.5m against £1m last time.

Michael Clark

scale system in conjunction with GEC for use on gauge forklifts. BP and Tesco have already bought the system and are evaluating it to test its suitability. Simon & Coates estimate that if trials are successful it could open up another sizeable market to RTC.

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Another of Simon & Coates' USM introductions, Polytex Marine, started trading last week and almost doubled in price overnight. Shares in the marine navigation equipment manufacturer were placed at 11p and at one stage hit 23p.

The tender offer for the group's shares was closed at 217p. Other successful debuts include Aaronic, the fire protection group with interests in the North Sea. These shares were placed at 115p and touched 141p before closing on Friday at 138p.

Thermal Scientific, the thermal analysis group and maker of furnaces for laboratories, also opened at a premium. The 1.3m shares (32.9 per cent of the equity) were placed by brokers Stock Beech at 83p a share and after touching 89p ended the week at 88p.

Mr Max Lewinsohn, chairman of Southwest Resources, continues to keep things on the boil for his shareholders. On Friday the group announced it had secured a six-year prospecting licence, with an option for a mining licence if required, of nearly 1,000 acres in Cornwall from the Duchy of Cornwall.

The area is next to the group's Redmoor Mine licence covering 5,700 acres being developed as a tin and tungsten prospect. At present all the group's profits arrive from its oil and gas interests on both sides of the Atlantic.

Recently Southwest Resources announced a share scrip and a consolidation of four 10p shares into one 40p share to help their marketability in New York, where they are quoted on the over-the-counter market.

Mr Lewinsohn is now rumoured to be looking at the Far East where the group already has substantial interests. The shares ended the week 6p higher at 74 in their new form.

Brokers Panmure Gordon have recently published a circular on the company recommending the shares as a buy. They estimate that the share price does not accurately represent the large tin and ore reserves in Cornwall or the oil and gas potential in the United States, Thailand and the North Sea.

Although the shares must be regarded as speculative, Panmure Gordon regards the risks as limited and the potential rewards "highly significant". For the current year they are looking for pretax profits of £1.5m against £1m last time.

Michael Clark

Eurobonds prices (yields and premiums)

Country	Face Value	Price	Yield	Premium
Germany	100,000	100.00	10.00	0.00
France	100,000	100.00	10.00	0.00
Italy	100,000	100.00	10.00	0.00
Spain	100,000	100.00	10.00	0.00
UK	100,000	100.00	10.00	0.00
Netherlands	100,000	100.00	10.00	0.00
Belgium	100,000	100.00	10.00	0.00
Switzerland	100,000	100.00	10.00	0.00
Austria	100,000	100.00	10.00	0.00
Sweden	100,000	100.00	10.00	0.00
Denmark	100,000	100.00	10.00	0.00
Portugal	100,000	100.00	10.00	0.00
Greece	100,000	100.00	10.00	0.00
Japan	100,000	100.00	10.00	0.00
South Korea	100,000	100.00	10.00	0.00
India	100,000	100.00	10.00	0.00
China	100,000	100.00	10.00	0.00
Soviet Union	100,000	100.00	10.00	0.00
Other	100,000	100.00	10.00	0.00

Offshore and International Funds

Fund Name	Assets	Yield	Price
World Fund	100,000	10.00	100.00
Global Fund	100,000	10.00	100.00
Emerging Markets	100,000	10.00	100.00
Developing Countries	100,000	10.00	100.00
Asia Pacific	100,000	10.00	100.00
Latin America	100,000	10.00	100.00
Europe	100,000	10.00	100.00
USA	100,000	10.00	100.00
Other	100,000	10.00	100.00

International Signal & Control Group PLC

- (vii) An Agreement dated 21st September, 1982 made between Corp (1), Parent Enterprises, Inc. (a company controlled by J. H. Guerin), (2) and J. H. Guerin (3) relating to the sale of the share capital of certain subsidiaries of Electronics and Control Group (4) and the business of the Existing Group for a cash consideration of \$8.5 million and the reimbursement of advances amounting to a further \$0.9 million.
- (viii) An Agreement dated 21st September, 1982 made between Corp (1), Electronics (2) and J. H. Guerin (3) whereby the Borrowers obtained a commitment from the Bank in relation to a revolving loan, letter of credit and acceptance facilities in an aggregate principal amount of any one time outstanding not in excess of \$20,000,000.
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World athletics championships: triumph and tragedy highlights the opening day

Juantorena and Connor meet with misfortune in different ways

From Pat Butcher, Helsinki

Keith Connor, one of Britain's greatest long jumpers, failed to get through the qualifying round of the triple jump yesterday. Connor was one of four British athletes that went out on a first day of competition that was illumined by Grete Waitz's win in the marathon, but marred by serious injury to Alberto Juantorena and Sara Simeoni, two of the finest international athletes in recent years.

Connor's best jump of his three qualifying efforts was 16.18 metres, over a metre below his season's best, and a half below the sort of distances that won him last year's European and Commonwealth titles.

Connor admitted before the competition that he had trained nowhere near as hard this season as he did last year, or as he expects to do next year for the Olympics, but he said the sort of distances that won him last year's European and Commonwealth titles.

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Off balance, Juantorena is on the verge of a painful accident.

The final effort put Juantorena off balance enough to make him stumble on to the raised aluminium kerb of the track. In doing so he fell and twisted his right ankle so violently that he broke three bones in his foot and tore all the ankle ligaments. The big man realized the

seriousness of the injury immediately and beat the ground with arms in pain and frustration. He was taken to hospital right away, where he had an operation yesterday afternoon, but the verdict was that he would be unable to run for at least three months.

Sara Simeoni, of Italy, who won the Olympic gold medal in the high jump in Moscow, and was until recently the world record holder, also twisted an ankle, her left one, as she was jumping in the qualifying round. It was not so bad as Juantorena's but the result was

Why the best went absent

From Pat Butcher

The £10 spending money which the British athletes are receiving for a week here in one of the most expensive capitals of the world may have caused a flutter of embarrassment to British officials, but it has nothing compared with the embarrassment felt by United States officials. They have been deprived of the services of Joan Benoit and Alberto Salazar, the two major female marathon runners in the world because of their decision to run in a road race instead of the selection trials.

Before leaving London last week, John Holt, the secretary of the International Athletics Federation, admitted that the one blemish on the attempt to introduce legal payments in athletics this year has been the road racing circuit, where prizes of \$20,000 and more are being earned without the need to go through trials administered by the national federation. In this case the Athletics Congress of America has decided to allow its runners to miss the official TAC selection races for these world championships in favour of the road races, yesterday's women's event and next Sunday's men's race in Helsinki.

Mr. Salazar, the fastest man in the world, the United States team press officer, was particularly disgraced by the decision. He missed the Boston selection race in order to earn a reported \$25,000 - by racing against Roberto De Castella, from Australia, in the Rotterdam marathon.

Mr. Salazar blamed Salazar's agents, Mark McCormack International Management Group, for telling Salazar that his reputation was sufficient to get him selected for Helsinki.

Similarly, Benoit missed the women's trial in Los Angeles two months ago to prepare for the OTC Marathon in Oregon in mid-September. Presumably, she feels that the opportunity of proving herself against the best in the world, and the analysts must be that while all seems well with track and field athletics, the biggest problem apart from drugs for the IAAF, is to bring the road runners and their miscreant managers into line.

Miss Temesvari finds her feet on clay

Yates retains British title

Sutton's sights on first big win

Los Angeles (Reuters) - Hal Sutton, of United States, who already heads the money-rumored list this year, could move into a virtually unassailable position if he wins the \$100,000 United States PGA championship first prize at the 6,446-yard Riviera country club. Sutton placed on the money list in the third round but he had a 10-under-par total of 203, a two-stroke lead over Ben Crenshaw, and kept his sights firmly on his first major victory. Sutton, who two weeks ago lost a tournament after a six-stroke lead insisted he was like the weather, a "little rugged", the 25-year-old Sutton remarked, referring to the blazing sunshine that scorched the course after an early-morning thunderstorm caused an 80-minute delay. Describing how he managed to recover from his bad spells, he said: "I got angry with myself and said 'Come on, let's get going'. Sutton, like many of the golfers, expressed surprise that the greens were so hard in spite of the morning rain. "The 10th green was like walking on bricks", he said. "Bruce Lietzke observed that 'four of five greens, especially over the back nine, were as close to death as I've seen. Several of them weren't greens but 'brownies' and 'blackies'. I'm not a golfer, but we were leaving them short."

Boost for football pitches

A £550,000 scheme for new and improved soccer pitches was announced today by the Football Trust and the Sports Council. The Trust, whose income comes from the sale of football tickets, follows his decision to race for his French club, FC Nantes, near Nantes, to compete for the 14-day Tour de la Vieillesse in France later in September.

Guillermo Vilas: beat McEnroe in Nashville

Seam Yates proved that he is a firm contender for the world professional 5,000 metres pursuit championship later this month when he defeated the former world title-holder, Tony Doyle, in the final of the British championship at Leicester on Saturday. In a one-sided contest, Yates, from Sussex, led by 50 metres by half-distance and covered the 5,000 metres in 3min 30sec, a world record. Yates, who has won the 5,000 metres in 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 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3632, 3633, 3634, 3635, 3636, 3637, 3638, 3639, 3640, 3641, 3642, 3643, 3644, 3645, 3646, 3647, 3648, 3649, 3650, 3651, 3652, 3653, 3654, 3655, 3656, 3657, 3658, 3659

EQUESTRIANISM

Mrs Greene defers to her husband at the finish

By Jenny MacArthur

Lucinda Greene, the world three-day event champion, riding Beagle Bay, was pushed into second place at the first Gaitcombe Park Horse Trials, sponsored by Croft Original, when her husband, David, on Mairangi Bay, won the £750 first prize by the closest margin possible in a horse trial. The first two horses are owned by S R Direct Mail.

The Greens and Horst Karsten, the West German rider, on Mandarin, all ended the day on 53 penalty points. Karsten's time was the slowest, relegating him to third place, but the Greens finished in exactly the same time. The judges had to go back to their dressage scores and count the number of good marks to settle the issue. David's 447 gave him one more than Lucinda. There was no doubting the success of the first Gaitcombe Park horse trials. Twenty five thousand people came to watch - a figure which was slightly less than anti-

ipated, but high enough for Captain Mark Phillips to break even - no mean feat considering the annual expenses of putting on a horse trial for the first time. The building of the course had used up £10,000 of the sponsors money and more than £5,000 of Captain Phillips's.

The success of the day was very much due to Captain Phillips. With walkie-talkie in hand, he master-minded the operation, ironing out any problems as they arose.

The well-built fences provided few problems for the experienced combinations in the championship class, but many of those in the first two advanced classes, including Mrs Greene on her first ride, Master Picce, came unstuck at the stone wall of fence number three, Devitt's Drop.

The impressive Steps Lane Terrace, a series of walls, was jumped well, the best demonstration being given by Andrew Hoy, an Australian rider who

had been lent the Range Rover team's Fieldmaster for the event. Virginia Holgate, a member of the British squad for the European championships in Switzerland next week, had a superb round on Pricelless, and it remains to be seen whether she will choose him in preference to Night Cap as her championship ride.

The British squad ended the Dublin Horse Show on a high note when Harvey Smith, on Sanyo Technology, won Saturday's Irish Grand Prix. It is the fifth year running that the British have taken the grand prix.

GATCOMBE PARK, Championship class 1, D Greene, Mairangi Bay (Auss), 53 penalties; 2, L Karsten, Mandarin (Ger), 53; 3, H Karsten, Mairangi Bay (Auss), 53. Advanced class 1, D Greene, Mairangi Bay (Auss), 53; 2, L Karsten, Mandarin (Ger), 53; 3, H Karsten, Mairangi Bay (Auss), 53. Open class 1, D Greene, Mairangi Bay (Auss), 53; 2, L Karsten, Mandarin (Ger), 53; 3, H Karsten, Mairangi Bay (Auss), 53.

DUBLIN SHOW, Grand prix of Ireland 1, H Smith, Sanyo Technology (Ire), 44.7; 2, D Hoy, Steps Lane Terrace (Aus), 45.0; 3, A Hoy, Steps Lane Terrace (Aus), 45.0. Irish Grand Prix 1, H Smith, Sanyo Technology (Ire), 44.7; 2, D Hoy, Steps Lane Terrace (Aus), 45.0; 3, A Hoy, Steps Lane Terrace (Aus), 45.0.

Eddery can prove an able deputy for Cecil's fillies

By Dick Hinder

Jockeys are finding it tough going trying to steer a straight course on horses not relishing the fast going. Saturday was the turn of Bobby Elliott to join the lengthening list of suspended jockeys. He received a two-day ban from August 15 to 24 - for reckless riding on Silver Token, who was disqualified from third place in a nursery at Redcar.

Bruce Raymond, another senior rider, will not be riding for a week as a result of concussion sustained when his mount, Bossy Boots, was brought down in the Kiwi Stakes at Newmarket, won by the Thomson Jones-trained Al Talan. It was about a furlong and a half from home that Rusticated, racing for the first time, broke a leg and in falling, cannoned into Bossy Boots, who somersaulted to the ground. Rusticated's jockey, Mark Banner, miraculously escaped injury.

It underlines the risks jockeys take, often partnering inexperienced horses in big fields, and it comes at a time when stewards have been taking a strict line over jockeys' conduct. Britain's two leading riders, Lester Piggott and Willie Carson, are still smarting over their present suspensions, handed out, controversially, by the Goodwood stewards. This has led to a series of the top in riding arrangements this week, with Pat Eddery very much the man in demand.

At Phoenix Park on Saturday Eddery was forced to deny rumours that he would be riding for the Maktoum brothers, instead of Vincent O'Brien next season.

Press reports suggested that Eddery had been offered a £750,000 retainer, plus a share in the sale of stallions by the Maktoums, but this

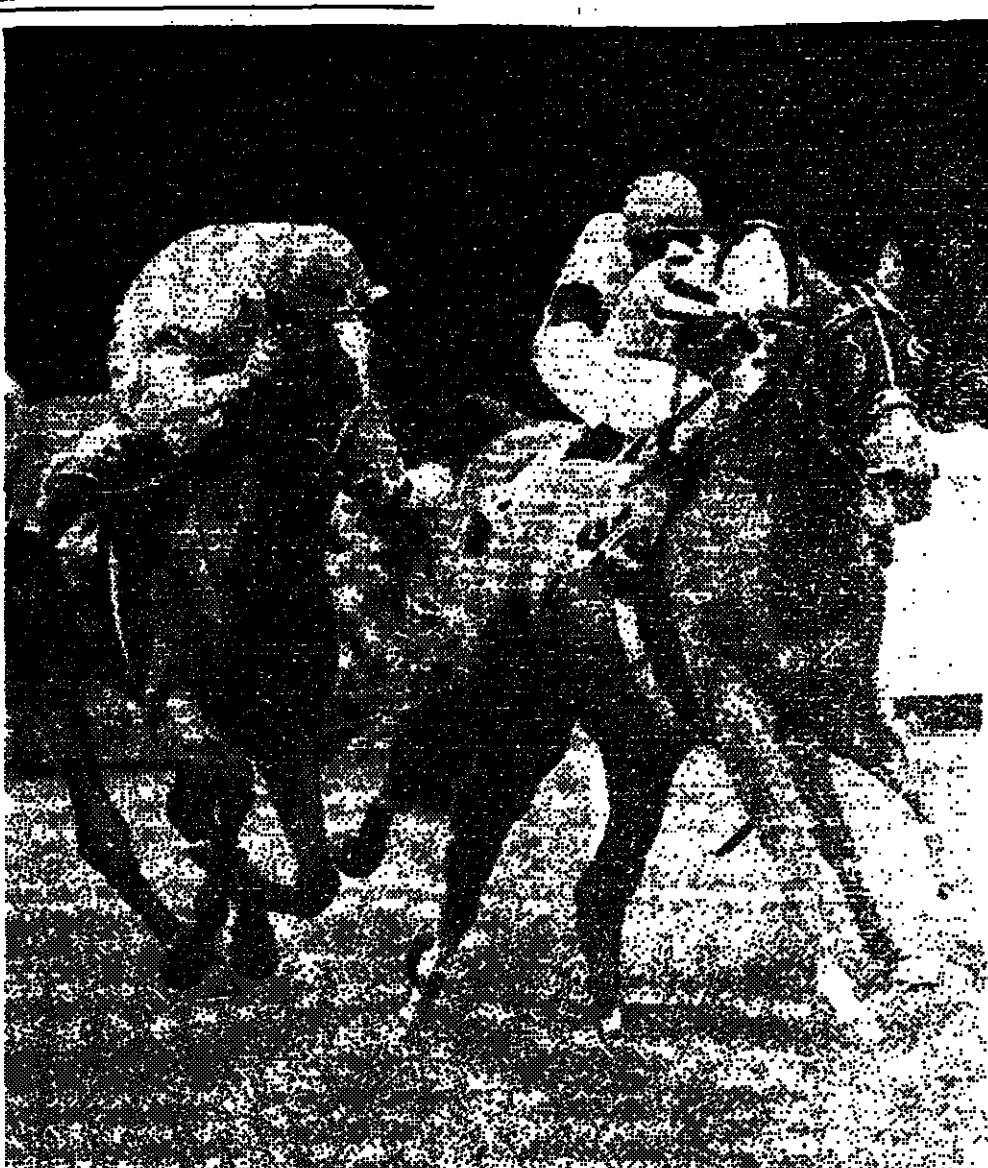
was quickly denied by the Dubai-based family who said in a statement: "The rumour that the Maktoum family have offered a retainer to Pat Eddery is categorically inaccurate. They would like to make it clear that they are perfectly happy with all their existing arrangements."

"One trainer who has quickly snapped up Eddery's services today is Henry Cecil, who has booked the Irish jockey for his two juvenile fillies at Nottingham. Valkyrie, a good second in a nursery at Goodwood, must have a favourite's chance to go one better in the Leslie Maister Challenge Trophy. The other, Cecil's contender, is the Queen Maiden Fillies Stakes, at the expense of the Aga Khan's promising Shadivah.

Cecil should be on the mark at Newmarket too, when Nigel Day rides Now And Again against Kobkowiec, in a match for the Greenhead Stakes. This is Now And Again's first appearance as a three-year-old, after showing considerable promise with two victories from three outings last year.

Michael Stoute's Autumn Sunset, who butted on so gamely, under Carson's seat when he was the Stewards Cup at Goodwood, can defy an 8lb penalty in the Northumberland Sprint Trophy. While back at Nottingham, the home that Autumn Sunset beat at Goodwood, Amorous, should gain swift compensation in the Nottingham Stewards' Cup.

RACING: MORE JOCKEY CASUALTIES



A thrilling finish as Mystery Ship (left) holds Calpoppy at Newmarket.

King Persian in command

By Our Irish Racing Correspondent

The extension of the Helms "57" Phoenix Stakes from five to six furlongs at Phoenix Park on Saturday was the deciding factor in the success of the Lanes Brown-trained King Persian. The colt, who would not have won over the traditional trip, but he would have finished in the first four.

When leaving the starting stalls, King Persian stumbled and was crossed. As a result of this incident, he trailed many lengths behind the leaders, Gals Event and Grey Dream, at halfway. Grey Dream, however, was not in the picture. Prejudged stable when he shook off Gals Event 150 yards from home, but King Persian produced an electrifying turn of speed to get up and win by a short head.

Another three-quarters of a length further back came Gals Event, the 2-1 favourite.

King Persian will need a longer distance and a stiffer track to

display his full potential. Before Saturday's win he had contested in at Gwyn Park, Brown, who had his first classic winner with Dams N' Dams, a colt who was pointed to win the Nitty won the Dudley Novices Chase at Worcester on Saturday evening.

Chris Loggin, a farmer near Brackley, Northampton, made the best possible start as a permit holder, when his first runner, the colt, pointed to win the Nitty won the Dudley Novices Chase at Worcester on Saturday evening.

NEWCASTLE FIRST TIME: Newcastle 2.30 Little Wizz, 3.0 Monticelli 4.0 Lobbows. Newcastle 3.15 Ardena, 4.16 Spectacular Sky, 5.15 True Fire. Windsor 3.00 W.B. Winton, 3.50 Jolly Star, 4.30 Tansley, 5.00 Jolly Star, 5.15 W.B. Winton.

Newcastle

Draw no advantage.

2.30 THORP STAKES (2-y-o maidens: £1,347: 5f) (11 runners)

1. 130 BALMAGRA (D. Macdonald) P. Fiddler 9-0
2. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
3. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
4. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
5. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
6. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
7. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
8. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
9. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
10. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0
11. 20204 FLEET BUILDER (P. Fiddler) L. J. Barry 8-0

3.0 PRUDHOE STAKES (3-y-o selling: £1,240: 1m 1f) (6)

1. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
2. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
3. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
4. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
5. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
6. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
7. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
8. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
9. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
10. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
11. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0

3.30 NORTHUMBERLAND HANDICAP (€3,708: 6f) (7)

1. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
2. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
3. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
4. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
5. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
6. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
7. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
8. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
9. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
10. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
11. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0

4.0 GREENHEAD STAKES (€1,676: 1m) (2)

1. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
2. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
3. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
4. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
5. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
6. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
7. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
8. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
9. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
10. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
11. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0

4.30 MORPETH HANDICAP (€1,467: 7f) (14)

1. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
2. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
3. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
4. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
5. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
6. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
7. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
8. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
9. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
10. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
11. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
12. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
13. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
14. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0

5.0 ELSDON HANDICAP (€1,335: 2m) (9)

1. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
2. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
3. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
4. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
5. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
6. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
7. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
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13. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0
14. 004018 CARNIVAL PRIZE (P. Fiddler) M. E. Veerman 8-0

5.30 SINGINGMAN, 3.00 Monticelli, 3.30 Autumn Sunset, 4.0 Now and Again, 4.30 Habat Raaphort, 5.0 Dark Proposal.

Saturday's results

Newmarket

1. 1. At Talan (7-1), 2. Deffoe (5-1), 3. Oakbrook (7-1), 4. Bossy Boots & Tapping (10-1), 5. Clarendon (10-1), 6. Thompson (7-2), 7. Clarendon (10-1), 8. Thompson (7-2), 9. Clarendon (10-1), 10. Thompson (7-2), 11. Clarendon (10-1), 12. Thompson (7-2), 13. Clarendon (10-1), 14. Thompson (7-2), 15. Clarendon (10-1), 16. Thompson (7-2), 17. Clarendon (10-1), 18. Thompson (7-2), 19. Clarendon (10-1), 20. Thompson (7-2), 21. Clarendon (10-1), 22. Thompson (7-2), 23. Clarendon (10-1), 24. Thompson (7-2), 25. Clarendon (10-1), 26. Thompson (7-2), 27. Clarendon (10-1), 28. Thompson (7-2), 29. Clarendon (10-1), 30. Thompson (7-2), 31. Clarendon (10-1), 32. Thompson (7-2), 33. Clarendon (10-1), 34. Thompson (7-2), 35. Clarendon (10-1), 36. Thompson (7-2), 37. Clarendon (10-1), 38. Thompson (7-2), 39. Clarendon (10-1), 40. Thompson (7-2), 41. Clarendon (10-1), 42. Thompson (7-2), 43. Clarendon (10-1), 44. Thompson (7-2), 45. Clarendon (10-1), 46. Thompson (7-2), 47. Clarendon (10-1), 48. 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Today's television and radio programmes

Edited by Peter Dear

BBC 1

6.00 **Ceejazz AM**. News headlines, weather, traffic and sports details. Also available to viewers with television sets without the teletext facility.

6.30 **Breakfast Time**. Introduced by Frank Bough and Sue Cook. News from Debbie Rix at 6.30, 7.00, 7.30, 8.00 and 8.30 with headlines on the quarter hours; regional news, traffic and weather at 8.45, 7.15, 7.45 and 8.15; keep fit and family finance between 8.45 and 7.00; tonight's television preview between 7.15 and 7.30; review of the papers at 7.30 and 8.30; horoscopes between 8.30 and 8.45; and food and cooking hints between 8.45 and 9.00. The guest is composer Henry Mancini.

9.00 **Hey Look...** That's Mel Chris Harris at the annual meeting of the Southampton Cycle Speedway Club, watches trampoline and meets children from St Thomas' School for the Deaf. Basingstoke 9.25 Jackanory. Rita Lemska reads The Winged Hussar, a Polish folk tale (1.30) The Wombles (1.45) Why Don't You? Ideas from Belfast for young people with time on their hands (1.10-1.30) Close-down.

1.00 **News After Noon** with Richard Wainwright and Vivien Greengard. The weather details come from Michael Fish (1.27) Regional news (London and SE only) Financial report followed by news headlines with subtitles (1.30) Check-a-Block. A See-Saw programme for the very young (1.45) Cartoon: Barney Bear in The Prospecting Bear (1.55) Cusden on Avon. Richard Cusden travels from Pewsey to Ambury.

2.25 **The First World Athletic Championships** from Helsinki, introduced by Desmond Lynam. Coverage of three finals - the Men's triple jump (at 4.00), the Women's 100 metres (5.00) and the Men's 100 metres (6.00) plus the heats in other competitions (continued on this channel at 6.50 with highlights of the 9.00 news).

6.10 **News** with Moira Stuart 6.30 South East 6.50

6.50 **The First World Athletic Championships** from Helsinki. Introduced by Desmond Lynam.

7.20 **Matt Houston: A Novel Way to Die**. A renowned author is murdered at a crime-writing convention. The millionaire detective discovers she had many enemies, the nearest of whom were staying at the same hotel the night she died.

8.10 **Panorama: The Open Scandal**. A repeat showing of Tom Mangold's investigations into the drug that was falsely claimed to be a cure for arthritis. His investigations reveal that details of the adverse side effects that emerged from using the drug were suppressed by the manufacturers (1).

9.00 **News** with John Humphrys followed by **The First World Athletic Championships**. Highlights of the day's three finals.

9.40 **Film: The Beloved of Cable** (1970) starring Jason Robards and Stella Stevens. A tired Westerner and a prospector who is left to die in the desert by his crooked partner. In his struggle to survive he discovers a water hole which he develops and makes himself a rich man - but with revenge still in his soul. Directed by Sam Peckinpah.

11.40 **News** headlines and weather.

TV-am

6.25 **Good Morning Britain** presented by Anne Diamond and Martin Wainwright. News from Lydia Berry at 6.30, 7.00, 7.30, 8.00 and 8.30; sport at 8.45 and 7.45; highlights of Diana Dore's diet at 7.10; pop video at 7.55; star romance at 8.05; exercises with Mad Lizzie 8.50; and from 9.00 Roland Rat in Edinburgh.

ITV/LONDON

9.25 **Thames news headlines** followed by **Sesame Street** in which the Muppets appear learning about learning to 10.25 **Friends of My Friends**. A day in the life of two Pakistani children from the Hindu-Kush region, 10.30 **Little House on the Prairie**. Part two of There's No Place Home (1).

12.00 **We'll Tell You a Story**. Christopher Lillicrap with a story, a song and a rhyme for the very young (1). 12.30 **The Questions**. The advantages of bugs investigated by Brian Trueman.

1.00 **News** with Carol Barnes. 1.20 **Thames news** from Robin Holmes. 1.30 **The Wombles**. Western pioneer saga starring Rosemary Harris and Ben Murphy.

2.30 **The World Athletics Championships** from the Olympic Stadium, Helsinki, introduced by Dickie Davies. Coverage of the semi-final heats in the 400 metres hurdles and the start of the women's seven event.

4.00 **We'll Tell You a Story**. (1). 4.15 **Cartoon: Victor and Maria** in The Lift. 4.20 **A Musical World**. Children from Leek High School, Staffordshire, perform a musical exploration of the Staffordshire Moorlands.

4.50 **The World Athletics Championships**. Coverage of the triple jump final and the finals of the men's and women's 100 metres.

6.15 **News** 6.30 **Thames news** 6.50 **The World Athletics Championships**. Coverage of the 100 metres and the 100 metres hurdles.

7.00 **The World Athletics Championships**. Coverage of the 100 metres and the 100 metres hurdles.

7.30 **Coronation Street**. Bert Tully has been found and wife sets off to collect him.

8.00 **The Starlight Ballroom**. A 1930s variety show in the guise of a musical play. With Alvin Stardust as the Big Band leader - host of a radio spectacular. Also starring Lynette de Paul.

8.30 **World in Action: Colonel Rauff's Refuge**. A documentary that exposes Nazi SS Colonel Walter Rauff in his Santiago, Chile, hideout (see Choice).

9.00 **Minder: Poetic Justice** - Inmiff! By a quirk of chance Arthur is selected for jury service. In his absence Terry is in charge of the Aladdin's Cave look-up. Starring Dennis Waterman and George Cole (1).

10.00 **News** 10.30 **Look Familiar**. Denis Norden reminisces about the show business stars of the Thirties and Forties with guests Bill Owen, Erika Kitt and Larry Grayson.

11.00 **Film: The Abominable Dr Phibes** (1971) starring Vincent Price. Spoof horror about a disgraced musician who carries out a vendetta against the surgeon he believes responsible for the death of his wife. Directed by Robert Fuest.

12.40 **Night Theatre** from the Rev Dr Kenneth Great.



Xie Fang and Cao Yindi in Two Stage Sisters. Channel 4, 10.30pm

One of the most notorious of the war criminals still free has been flushed from South American woodwork by World in Action. COLONEL RAUFF'S REFUGE (TV 8.30 pm) traces the career of the man who masterminded the murders of almost a quarter of a million men, women and children with his specially constructed mobile gas chambers. Walter Rauff has been living the life of a well-to-do retired businessman in a select suburb of Santiago, the capital of Chile, since he was the subject of an abortive extradition request by the West German government 20 years ago. World in Action, with unpublished documents has been able to plot Rauff's flight from Milan where he was SS chief at the end of World War Two, to the Middle East, and eventually to Chile where he lives under the unconcerned eye of

BBC 2

6.05 **Open University: Coal Power** 6.30 **Against the Public Interest?** 6.55 **Complex Numbers**. 7.20 **Learning from the Future** 7.45 **Britain: Granary for the Roman Empire**. Close-down at 8.10.

10.30 **Play School**. For the under fives, presented by Sarah Long and Don Spencer. The story is Mrs Topplesdopple's New Hat, by Phyllis Pearce. Close-down at 10.55.

4.15 **Play School**. See above.

4.40 **Cartoon: Scooby and Scrappy Dog in The Sorcerer's Menace** (1).

5.00 **The Red Hand Gang**. Part four and the gang frighten the kidnappers by pretending to be ghosts (1).

5.35 **Topper: Vintage (Fifties)** American comedy series about a pair of ghosts who return to haunt their earthly home in the company of a diplomatic dog.

6.00 **The Englishwoman and the Horse**. A documentary that illustrates the affection females have for their four-legged friends (1).

6.55 **Six Fifty-five**. Guests Omar Sharif and Patricia Gifford explain why they like to spend their summers in Sussex. Both are appearing in the 1983 Chichester Festival, with the added bonus for Mr Sharif of having Goodwood racecourse on the doorstep.

7.30 **News** headlines with subtitles.

7.35 **A Moment to Talk**. The fifth in the series that eavesdrops on conversations between agricultural workers from farms around Northleach, Gloucestershire.

7.50 **O.E.D. - Old Wives' Tales**. With Professor Noel Dilly as he scours the Cotswolds listening to tales grandmothers used to tell (1) (see Choice).

8.20 **The Paul Daniels Magic Show**. His guests are illusionist, Hans Jorenth and comic magician, Johnny Paul (1).

9.00 **Call My Bluff**. Liz Goddard and Russell Harty. Arthur Marshall while Frank Muir has the assistance of Sue Arnold and Nigel Hawthorne.

9.30 **One Man and his Dog**. The Irish heist features Arthur Mawhinney, Ronnie Kinnaird and Dennis Birchall (1).

10.10 **Motives**. Dr Anthony Clark in conversation with Patsy Clark.

10.50 **Nightlight**. The latest world and domestic news plus an extended look at one of the main stories of the day.

11.40 **Open University: Halogens and Noble Gases** 12.05 **Colour Television** (1) 12.30 **Maths Magazine** - Line Integrals. Ends at approximately 1.00.

CHANNEL 4

5.30 **Making the Most Of...** Theresa Birch with the second of her series of programmes on pastimes that cost little or no money. Ashley Jackson continues his oil painting course while Evelyn Cook instructs in the art of flower pressing. Joe Maden reveals the joys of allotment gardening, and Hunter Davies goes for a walk around a London park.

6.00 **Manscape**. Neil Cossons continues his series that looks at the way in which man has shaped Britain's landscape since the Industrial Revolution. 250 years ago, this evening he visits the Kennet and Avon canal, originally designed to link the ports of London and Bristol. Made redundant by the Great Western Railway it helped to construct, the canal today is being restored in order to preserve it as an historically significant leisure amenity.

6.30 **He's a Lucy**. The first of a new series and Lucy persuades her brother-in-law to use the musical talents of her two children at a lavish party he is throwing. But Lucy has to step into the breach at the last moment.

7.00 **Channel Four News** with Peter Sissons, Trevor MacDonald and Sarah Hogg. Headlines at 7.30 and city news at 7.35 followed by Foreign Perspective.

7.50 **Comment**. With his view on a matter of topical importance is Chota Karodji, editor-in-chief of the Asian Star.

8.00 **The World Athletics Championships**. Highlights of the second day's events in Helsinki which included the finals of the triple jump and the men's and women's 100 metres.

8.30 **City Centre Cycling** from Glasgow. The second leg of the Kellogg's Cycling Championships, decided over five races. Introduced by Steve Rider with commentator Phil Light.

9.30 **Ear to the Ground**. Current affairs for young adults. Tonight's items include a visit to the Young Socialists' Summer Camp; problems met by disabled students; computer art; and singer, Tricia.

10.30 **The Eleventh Hour**. Film: Two Stage Sisters (1964) The second film in the series devoted to issues affecting women today was made in China, just prior to the Cultural Revolution, and was one of the hits of the National Film Theatre's 1980 retrospective of Chinese cinema. The story concerns a young actress, one who works for her father's travelling troupe, the other a runaway bride who joins the troupe to escape the wrath of her family. The film is preceded by a short introduction.

12.45 **Close-down**.

CHOICE

the military dictatorship. Rauff has been secretly filmed by World in Action and briefly interviewed, but for the four weeks the cameras were camped outside his home. Rauff emerged only twice. One of the more deserving cases of this season of repeats is tonight's **O.E.D. - Old Wives' Tales** (BBC2 7.50 pm) in which Professor Noel Dilly wanders the Cotswolds testing the truth behind old country saws. Surprisingly, a fair number stand up to modern scientific examination but, predictably, most of them are proved to be nonsense. Either way, Professor Dilly's investigations make for a most enjoyable half-an-hour. Another welcome repeat is John

Arden's **Giles Cooper Award-winning play, THE OLD MAN SLEEPS ALONE** (Radio 4 8.10 pm) which was commissioned by the BBC as part of their 50th anniversary celebrations. The play, set in the 12th century, concerns the building of Durham Cathedral. The French master mason in charge of the project is dying and he has to leave the completion of the task to his two young English apprentices. But which of them will inherit the secrets of his craft? His daughter shares his secret and, in a dying wish, the Frenchman asks her to impart the knowledge to the apprentice she chooses to marry. Should she wed the abler of the two or the one she would prefer to marry? Linda Gardner directs the daughter with Nigel Anthony and Christian Rodska as the two apprentices.

Radio 4

6.00 **News Briefing**. 6.30 **Farming Week** presented from Northern Ireland by John Johnston.

6.55 **Shipping Forecast**. 7.00 **Today**, including 6.45 **Prayer for the Day**, 6.55 **7.55 Weather**, 7.00, 8.00 **News**, 7.25, 8.25 **Sport**, 8.30, 7.30 **News**, 7.45 **Thought for the Day**.

8.35 **The Week on 4**. A preview of the week's programmes by David Hutchinson.

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Minister quits anti-hunt body

By Hugh Clayton
Environment Correspondent

A junior minister has resigned as patron of the Conservative Anti-Hunt Council because it opposes government policy. Mr Alan Clark, an Under-Secretary of State at the Department of Employment, agreed last month to become patron of the council which wants hunting to be banned.

Mr Clark's role in the council was disclosed in *The Times* last week after the Government had said in one of its statements about hunting that it did not intend to legislate against it.

Mr Clark decided that his role as a minister was incompatible with patronage of a pressure group opposed to its policy. But he remains opposed to hunting and does not allow it on his land. Although he shot grouse as a young man, he now believes that man has no right to use his intelligence to destroy other life forms for pleasure.

The council, which is open only to members of the Conservative Party, wants to create inside the party a nucleus of opposition to hunting. It has decided not to oppose shooting and fishing.

Mr Richard Course, executive director of the League Against Cruel Sports, said that his organization might give the council money.

The affair of the hunting "mole" has provoked a lively exchange between supporters and opponents of hunting. Mr Ian Coghill, conservation officer of the British Field Sports Society, denied that he had unwittingly offered Mr Michael Huskisson, a member of the Hunt Saboteurs' Association, a job as whipper-in with the Three Counties pack of mounds.

Mr Huskisson's efforts to secure evidence of cruelty by posing as an enthusiastic hunt supporter for a year were disclosed by *The Times* last week. He claimed that Mr Coghill, a joint master of the Three Counties pack, had offered him the post at a hunt party.

Mr Coghill said: "He would not have made a good whipper-in; he was too morbid". Mr Huskisson in turn rejected a claim from Mr Coghill that he tried to persuade hunts to stage incidents, including the "bleeding" of a child by the smearing on its face of blood from an animal killed by hounds.



Cameras roll for a Civil War replay

Members of the Sealed Knot, a society which re-enacts battles from the Civil War, go into action at Rockingham Castle near Corby in Northamptonshire for a new £2m BBC historical drama series, *By the Sword Divided*.

Set against the turbulent background of the war between the Cavaliers and the Roundheads from 1640 to 1647, it tells the story of the Royalist Lacey family of Arnescliffe Castle which is

given when the elder daughter marries into a family which supports Cromwell.

The 10-part series, which will be screened in the autumn, stars Julian Glover, Sharon Mangan, Timothy Bentick and Rosalee Crutchley.

John Hawkesworth who is making the series says he has been seeking the opportunity to make a Civil War drama for 14 years.

Photographs Brian Harris



Tug takes tanker hulk out to sea

Continued from page 1

for two members of the 300-ton tug, the *Castillo de Bellver*, is not yet officially known but marine experts in Cape Town speculate that as the tanker rode the heavy seas the strain on the hull, which is designed to flex, proved too much and the plates fractured amidships.

The front gases pumped into the holds vented and escaping oil was probably ignited by sparks from grinding metal.

The master reported that a flash fire had started running fore and aft from a position amidships on the port side which would appear to bear this out, a master mariner said in Cape Town.

A warning was issued last night that the Cape west coast region faced a grave long-term pollution threat.

Mr Bill Bricknell, chief of oil pollution control officer of the Department of Transport, said there have to be careful monitoring of the wreck of the *Castillo de Bellver* for a year or more.

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Lessons in Gulf psychology

That the Iraqis' assessment of the Iranian situation is based on a deep knowledge of the Iranian psyche is a lesson in Gulf psychology.

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Couple killed in crash

An elderly couple were killed on Saturday night when their car was in a head-on collision with a coach carrying French holidaymakers on the Perth to Stirling road near Abernethy.

The couple, who were Mr Francis Johnston, 78, of Kilmarnock, and his wife Agnes, aged 61. Two people in the coach were hurt and one was detained in Bridge of Earn Hospital.

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Rush to help abandoned dog

An Old English sheepdog abandoned in Princes Street Gardens, Edinburgh had a note and £3 attached to its collar. The note stated: "I am an old pensioner and cannot afford him anymore. Please look after him". The dog is at the Edinburgh Dog and Cat Home.

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Dissidents leave

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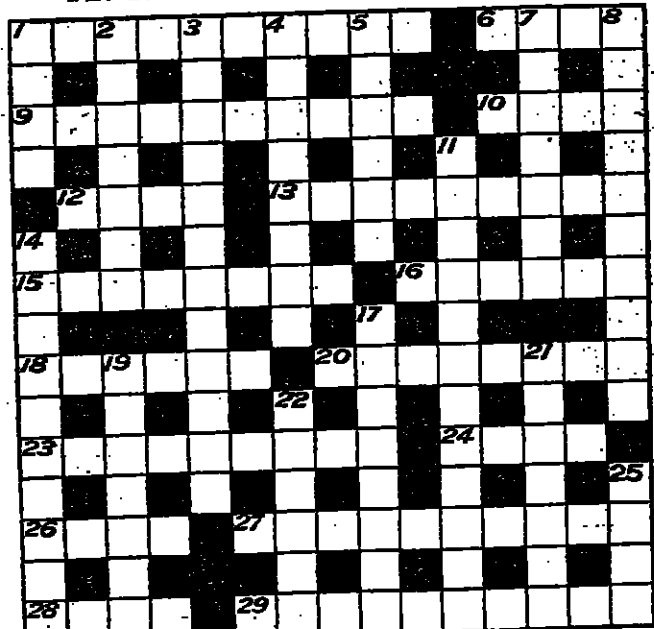
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THE TIMES INFORMATION SERVICE

The Times Crossword Puzzle No 16,202



ACROSS

- Features of the country one found in "Wuthering Heights" (10).
- Gascon card game? (4).
- Opposition to the current rate (10).
- Side shows keenness (4).
- Title for the pantomime, perhaps (4).
- Some energy shown by supporter when given money (4-5).
- No-one can get the soldier to retreat from firing (8).
- Frenchman goes by rail to college (6).
- Ready to sail with a starving poet, apparently (8).
- Present-day saint (8).
- Describes a low habit? (9).
- Prison we associate with time (4).
- Send out note with translation (4).
- Fretfulness spoiled a nice time round the piano (10).
- Quarter young American was advised to leave (4).
- Where soldiers might be Chinese citizens with tough leader (10).

DOWN

- Simple little man? (4).
- Refrain from giving Jack bad mark, perhaps (7).

The Solution of Saturday's Prize Puzzle No. 16,201 will appear next Saturday

CONCISE CROSSWORD PAGE 6

Today's events

New exhibitions
Paintings and drawings by David Hothschild, Usher Gallery, Lincoln Road, Lincoln, Mon to Sat 10 to 5.30, Sun 2.30 to 5; (until Sept 4).
Paintings and drawings by local artists: Old Mayor's Parlour Gallery, Church Street, Hereford, Mon to Sat 10 to 5; (from today until Aug 20).
The Golden Age of Richard III, City Museum and Art Gallery, Brunswick Road, Gloucester, Mon to Sat 10 to 5; (until Oct 1).
Contemporary Crafts from the North-west, Harris Museum and Art Gallery, Market Square, Preston, Lancs, Mon to Sat 10 to 5, closed Sun; (until Sept 17).
Folding Piece work by Chris Jennings and work by Tim Staples, Ashton Centre for Art, Windcombe Street, Cheltenham, Mon to Sat 10 to 5, closed Sun; (until Sept 6).
Paintings by Mike Lawson, Atkinson Art Gallery, Lord Street, Southport, Mon to Fri 10 to 5, Thurs and Sat 10 to 1; (from today until Sept 3).

Music

Organ recital by Christopher Boodie, Coventry Cathedral, 1.05.
General
Annual Edinburgh Antiques Fair, Roxburgh Hotel, Charlotte Square, Edinburgh, 11 to 9 (today, tomorrow and Wed).
World Communications Year, UK Contribution Exhibition, Ferry Terminal, Dover, from today until end Sept.

Bond winners

Winning numbers in the weekly draw for Premium Bond Prizes are: £100,000 - 13XT 918938 (the winner lives in Cumbria); £25,000 - 78WZ 8446 (Sussex); £25,000 - 17AT 346445 (London Borough of Ealing).

Anniversaries

William Bateson, biologist, was born at Whitley, Yorkshire, 1861. Thomas a Kempis, theologian, died at Aachen, Netherlands, 1471.

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Nature notes

Yellow wagtails have finished nesting in the fields, and begin to flock together in roosts at dusk. They will soon be leaving for west Africa. Swifts career in wild screaming-parties round roofs and steeples on a cool morning, with a favourable wind, they will suddenly disappear, bound for South Africa. Elder-duck from the north are drifting down the east coast, in small, brilliant white groups. Around the gardens, robins are singing again, with soft, plaintive notes.
Yellow toadflax is bright on the roadsides; lilac flowers are appearing on the burdocks. Wild strawberries on moor and hillsides. The drooping purple cones of buddleia are found growing wild on railway embankments and waste land; they attract enormous crowds of insects, especially peacock and small tortoiseshell butterflies. bumblebees, and drone flies, which are a long-tongued species of hoverfly. Other kinds of hoverfly which they are over 200 varieties, or licking up the honeydew left by aphids on the leaves of flowers. Yellow underwing moths flash their lower wings as they fly along a hedge, but vanish when they settle, as their dull upper wings merge with the twigs and leaves.

The pound

	Bank	Bank
	Buys	Sells
Australia \$	29.65	27.50
Austria Sch	82.50	78.50
Belgium Fr	1.82	1.80
Canada \$	14.80	14.10
Denmark Kr	8.78	8.38
France Fr	12.31	11.76
Germany DM	4.18	3.90
Italy Lira	135.00	126.00
Japan Yen	11.50	10.85
Netherlands Gld	1.29	1.23
Portugal Esc	208.00	210.00
Spain Ptas	166.00	166.00
Sweden Kr	12.86	12.46
Switzerland Fr	3.33	3.16
USA \$	1.51	1.46
Yugoslavia Dnr	154.00	149.00

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Roads

Midlands and East Angles: M6: Lane closures between junctions 5 and 6 (Birmingham NE to Birmingham Central). M3: Lane closures between junctions 15 and 16 (Northampton M45: Eastbound carriageway closed; diversion.
North: M62: Lane closures between junctions 29 (M1) and 30 (Rothwell). A57: Buxton Road, Macclesfield, Cheshire, closed between Commercial Road and French Avenue; diversion. A560: Westbound traffic diverted at Carrington Road, Stockport, Greater Manchester.
Wales and West: M5: Lane closures between junctions 8 (M50 junction 1) and 9 (A58). A5: Temporary traffic lights on Holyhead to Bangor road at Llanfair, A49/A465. Lengthy delays at Belmont roundabout, Hereford.
Scotland: M8: Lane closures E of junction 6 at Aldrie. M74: Southbound carriageway closed between junctions 1 and 2 (Hamilton and Larkhall). A87: Lane closures at Inverurie, S of Dornie, Ross and Cromarty. Information supplied by the AA.

The papers

The Daily Mirror says that the Press Council's judgement on *The Sun* over its alleged "World Exclusive" interview with the widow of Sgt Ian McKay, the Falklands VC winner could hardly be more damning. It says: "To be proved to be lying disappears is through the world exclusive." But *The Sun* is to ruin what the Borgies were to chastity, it has forgotten what it is.
The *Sun* in its leader column this morning, says it owes an apology to Mrs Maria McKay, widow of the Falklands VC. "When our keen desire to interview her was frustrated, we wrote an article based mainly on comments she had already made to the press and TV with additional material also obtained by our journalistic enterprise. Then we made a serious mistake: we linked the article to an exclusive first-hand interview with the widow of Lt Col H. Jones, VC, under the heading 'World Exclusive: pride and heartache'." Our VC widow, in connecting the two articles in this way, gave the impression that our reporter had personally interviewed Mrs McKay. No newspaper is infallible, least of all under the pressure of competitive deadlines, but we accept the verdict of the Press Council published today. To Mrs McKay - and to our readers - we say we got it wrong. We are sorry."

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Weather

An anticyclone enters the British Isles but a weak trough of low pressure will cross parts of Scotland.
London, E. NE. Central: E. England, Midlands Dry, variable cloud, sunny intervals, light breeze, temp 20 to 22C (68 to 72F).
SE England, East Angles, Channel Islands: Partly cloudy, light breeze, perhaps a tide of rain on coast; wind low, light to moderate; temp 18 to 21C (65 to 70F), cooler on coast.
Central S. SW England, Dry, sunny periods with moderate breeze, temp 20 to 22C (68 to 72F).
Wales, W. England, Lake District: Dry, sunny periods with moderate breeze, temp 21 to 23C (70 to 73F).
Ireland, SW: Partly cloudy, sunny periods with moderate breeze, temp 20 to 22C (68 to 72F).
Scotland: Partly cloudy, sunny periods with moderate breeze, temp 18 to 21C (65 to 70F).
New Moon: 6.18 pm.

Lighting-up time

London 8.08 pm to 8.06 am
Edinburgh 8.27 pm to 8.01 am

Yesterday

	C	F	C	F
Belfast	18.05	64.5	18.04	64.5
Birmingham	18.05	64.5	18.04	64.5
Blackpool	18.05	64.5	18.04	64.5
Bristol	18.05	64.5	18.04	64.5
Cardiff	18.05	64.5	18.04	64.5
Edinburgh	18.05	64.5	18.04	64.5
Glasgow	18.05	64.5	18.04	64.5

Highest and lowest

	High	Low
Belfast	18.05	18.04
Birmingham	18.05	18.04
Blackpool	18.05	18.04
Bristol	18.05	18.04
Cardiff	18.05	18.04
Edinburgh	18.05	18.04
Glasgow	18.05	18.04

NOON TODAY



Around Britain

	Sun	Rain	Cloud	Temp
St Andrews	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68
Stranraer	3.1	0.1	20	68

Abroad

	Sun	Rain	Cloud	Temp
Amsterdam	18.05	18.04	18.03	18.02
Antwerp	18.05	18.04	18.03	18.02
Berlin	18.05	18.04	18.03	18.02
Brussels	18.05	18.04	18.03	18.02
Copenhagen	18.05	18.04	18.03	18.02
Dublin	18.05	18.04	18.03	18.02
Hamburg	18.05	18.04	18.03	18.02
London	18.05	18.04	18.03	18.02
Madrid	18.05	18.04	18.03	18.02
Paris	18.05	18.04	18.03	18.02

WHY ISN'T BRITISH ATLANTIC BEING ALLOWED TO FLY YOU IN LUXURY TO NEW YORK FOR ONLY £329?

BRITISH ATLANTIC

0000000000000000

British Atlantic have applied for a licence to fly passengers across the Atlantic, in luxury, for just £329. The application was turned down. Is this fair to anyone?

BRITISH ATLANTIC. FIGHTING FOR THE RIGHT TO FLY.

هكذا من الأصل